

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 247

Session of  
1977

INTRODUCED BY MESSRS. BRUNNER, GARZIA, VROON, CIANCIULLI,  
PANCOAST, ZEARFOSS, MOEHLMANN, POTT, MEBUS, COHEN AND MRS.  
SCANLON, FEBRUARY 9, 1977

AS AMENDED ON THIRD CONSIDERATION, IN SENATE, NOVEMBER 15, 1977

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An  
2 act relating to tax reform and State taxation by codifying  
3 and enumerating certain subjects of taxation and imposing  
4 taxes thereon; providing procedures for the payment,  
5 collection, administration and enforcement thereof; providing  
6 for tax credits in certain cases; conferring powers and  
7 imposing duties upon the Department of Revenue, certain  
8 employers, fiduciaries, individuals, persons, corporations  
9 and other entities; prescribing crimes, offenses and  
10 penalties," ~~further providing for filing of documents and~~ <—  
11 ~~payment of taxes with respect to taxes imposed for education,~~  
12 ~~personal income taxes and corporate net income taxes.~~  
13 INCREASING THE RATE OF THE PERSONAL INCOME TAX; INCREASING <—  
14 THE RATE OF TAX IMPOSED ON CERTAIN CORPORATIONS; CHANGING THE  
15 PERIOD FOR SETTLEMENT OF CORPORATE INCOME TAXES AND CHANGING  
16 THE PREPAYMENT OF TAX PROVISIONS FOR SUCH TAXES; PRESCRIBING  
17 THE EFFECTIVE DATE FOR VARIOUS PROVISIONS AND REPEALING A  
18 CERTAIN ACT.

19 The General Assembly of the Commonwealth of Pennsylvania  
20 hereby enacts as follows:

21 ~~Section 1. Sections 220, 336 and 403.1 act of March 4, 1971~~ <—  
22 ~~(P.L.6, No.2), known as the "Tax Reform Code of 1971," amended~~  
23 ~~June 27, 1974 (P.L.376, No.126), are amended to read:~~

24 ~~Section 220. Timely Mailing Treated as Timely Filing and~~  
25 ~~Payment. Notwithstanding the provisions of any State tax law to~~

1 ~~the contrary, whenever a report, petition or payment of all or~~  
2 ~~any portion of a State tax is required by law to be received by~~  
3 ~~the Pennsylvania Department of Revenue or Board of Finance and~~  
4 ~~Revenue or other agency of the Commonwealth on or before a day~~  
5 ~~certain, the taxpayer shall be deemed to have complied with such~~  
6 ~~law if the letter transmitting the report, petition or payment~~  
7 ~~of such tax which has been received by the department or Board~~  
8 ~~of Finance and Revenue is postmarked by the United States Postal~~  
9 ~~Service on or prior to the final day on which the report,~~  
10 ~~petition or payment is to be received. Notwithstanding the~~  
11 ~~provisions of any State tax law to the contrary, whenever the~~  
12 ~~due date for timely filing shall fall on a Saturday, Sunday, or~~  
13 ~~a legal holiday, the timely filing date shall be continued to~~  
14 ~~midnight of the first full business day following.~~

15 ~~For the purposes of this article, presentation of a receipt~~  
16 ~~indicating that the report, petition or payment was mailed by~~  
17 ~~registered or certified mail on or before the due date shall be~~  
18 ~~evidence of timely filing and payment.~~

19 ~~Section 336. Timely Mailing Treated as Timely Filing and~~  
20 ~~Payment. Notwithstanding the provisions of any State tax law to~~  
21 ~~the contrary, whenever a report, petition or payment of all or~~  
22 ~~any portion of a State tax is required by law to be received by~~  
23 ~~the Pennsylvania Department of Revenue, Board of Finance and~~  
24 ~~Revenue or other agency of the Commonwealth on or before a day~~  
25 ~~certain, the taxpayer shall be deemed to have complied with such~~  
26 ~~law if the letter transmitting the report, petition or payment~~  
27 ~~of such tax which has been received by the department or Board~~  
28 ~~of Finance and Revenue is postmarked by the United States Postal~~  
29 ~~Service on or prior to the final day on which the report,~~  
30 ~~petition or payment is to be received. Notwithstanding the~~

~~provisions of any State tax law to the contrary, whenever the due date for timely filing shall fall on a Saturday, Sunday, or a legal holiday, the timely filing date shall be continued to midnight of the first full business day following.~~

~~For the purposes of this article, presentation of a receipt indicating that the report, petition or payment was mailed by registered or certified mail on or before the due date shall be evidence of timely filing and payment.~~

~~Section 403.1. Timely Mailing Treated as Timely Filing and Payment. Notwithstanding the provisions of any State tax law to the contrary, whenever a report, petition or payment of all or any portion of a State tax is required by law to be received by the Pennsylvania Department of Revenue, Board of Finance and Revenue or other agency of the Commonwealth on or before a day certain, the corporation shall be deemed to have complied with such law if the letter transmitting the report, petition or payment of such tax which has been received by the department or Board of Finance and Revenue is postmarked by the United States Postal Service on or prior to the final day on which the report, petition or payment is to be received. Notwithstanding the provisions of any State tax law to the contrary, whenever the due date for timely filing shall fall on a Saturday, Sunday, or a legal holiday, the timely filing date shall be continued to midnight of the first full business day following.~~

~~For the purposes of this article, presentation of a receipt indicating that the report, petition or payment was mailed by registered or certified mail on or before the due date shall be evidence of timely filing and payment.~~

~~Section 2. This act shall take effect immediately.~~

SECTION 1. SECTION 302 OF THE ACT OF MARCH 4, 1971 (P.L.6,

<—

1 NO.2), KNOWN AS THE "TAX REFORM CODE OF 1971," ADDED AUGUST 31,  
2 1971 (P.L.362, NO.93) AND AMENDED MARCH 13, 1974 (P.L.179,  
3 NO.32), IS AMENDED TO READ:

4 SECTION 302. IMPOSITION OF TAX.--(A) THERE IS HEREBY IMPOSED  
5 AN ANNUAL TAX TO BE PAID BY RESIDENT INDIVIDUALS, ESTATES OR  
6 TRUSTS AT THE RATE OF [TWO PER CENT] ~~TWO AND THREE TENTHS TWO~~ <—  
7 ~~AND TWO-TENTHS PER CENT~~ ON THE PRIVILEGE OF RECEIVING EACH OF  
8 THE CLASSES OF INCOME HEREINAFTER ENUMERATED IN SECTION 303.

9 (B) THERE IS HEREBY IMPOSED AN ANNUAL TAX TO BE PAID BY  
10 NONRESIDENT INDIVIDUALS, ESTATES OR TRUSTS AT THE RATE OF [TWO  
11 PER CENT] ~~TWO AND THREE TENTHS TWO AND TWO-TENTHS PER CENT~~ ON <—  
12 THE PRIVILEGE OF RECEIVING EACH OF THE CLASSES OF INCOME  
13 ENUMERATED IN SECTION 303 FROM SOURCES WITHIN THIS COMMONWEALTH.

14 SECTION 2. SECTION 351 OF THE ACT, ADDED AUGUST 31, 1971  
15 (P.L.362, NO.93), IS AMENDED TO READ:

16 SECTION 351. INTEREST.--IF ANY AMOUNT OF TAX IMPOSED BY THIS  
17 ARTICLE IS NOT PAID ON OR BEFORE THE LAST DATE PRESCRIBED FOR  
18 PAYMENT, INTEREST ON SUCH AMOUNT AT THE RATE OF [ONE-HALF]  
19 ~~THREE-FOURTHS~~ OF ONE PER CENT PER MONTH, FOR EACH MONTH OR  
20 FRACTION THEREOF FROM SUCH DATE, SHALL BE PAID FOR THE PERIOD  
21 FROM SUCH LAST DATE TO THE DATE PAID. THE LAST DATE PRESCRIBED  
22 FOR PAYMENT SHALL BE DETERMINED WITHOUT REGARD TO ANY EXTENSION  
23 OF TIME FOR FILING THE RETURN. THIS SECTION SHALL NOT APPLY TO  
24 ANY FAILURE TO PAY ESTIMATED TAX.

25 SECTION 3. SECTION 402 OF THE ACT, AMENDED MARCH 13, 1974  
26 (P.L.179, NO.32), IS AMENDED TO READ:

27 SECTION 402. IMPOSITION OF TAX.--EVERY CORPORATION SHALL BE  
28 SUBJECT TO, AND SHALL PAY FOR THE PRIVILEGE OF DOING BUSINESS IN  
29 THIS COMMONWEALTH, OR HAVING CAPITAL OR PROPERTY EMPLOYED OR  
30 USED IN THIS COMMONWEALTH, BY OR IN THE NAME OF ITSELF, OR ANY

1 PERSON, PARTNERSHIP, ASSOCIATION, LIMITED PARTNERSHIP, JOINT-  
2 STOCK ASSOCIATION, OR CORPORATION, A STATE EXCISE TAX AT THE  
3 RATE OF TWELVE PER CENT PER ANNUM UPON EACH DOLLAR OF TAXABLE  
4 INCOME OF SUCH CORPORATION RECEIVED BY, AND ACCRUING TO, SUCH  
5 CORPORATION DURING THE CALENDAR YEAR 1971 AND THE FIRST SIX  
6 MONTHS OF 1972 AND AT THE RATE OF ELEVEN PER CENT PER ANNUM UPON  
7 EACH DOLLAR OF TAXABLE INCOME OF SUCH CORPORATION RECEIVED BY,  
8 AND ACCRUING TO, SUCH CORPORATION DURING THE SECOND SIX MONTHS  
9 OF CALENDAR YEAR 1972 THROUGH THE CALENDAR YEAR 1973 AND AT THE  
10 RATE OF NINE AND ONE-HALF PER CENT PER ANNUM UPON EACH DOLLAR OF  
11 TAXABLE INCOME OF SUCH CORPORATION RECEIVED BY, AND ACCRUING TO,  
12 SUCH CORPORATION DURING THE CALENDAR [YEAR] YEARS 1974, 1975 AND  
13 1976 AND AT THE RATE OF ~~ELEVEN~~ TEN AND THREE-FOURTHS PER CENT <—  
14 PER ANNUM UPON EACH DOLLAR OF TAXABLE INCOME OF SUCH CORPORATION  
15 RECEIVED BY, AND ACCRUING TO, SUCH CORPORATION DURING THE  
16 CALENDAR YEAR 1977 AND EACH CALENDAR YEAR THEREAFTER, EXCEPT  
17 WHERE A CORPORATION REPORTS TO THE FEDERAL GOVERNMENT ON THE  
18 BASIS OF A FISCAL YEAR, AND HAS CERTIFIED SUCH FACT TO THE  
19 DEPARTMENT AS REQUIRED BY SECTION 403 OF THIS ARTICLE, IN WHICH  
20 CASE, SUCH TAX, AT THE RATE OF TWELVE PER CENT, SHALL BE LEVIED,  
21 COLLECTED, AND PAID UPON ALL TAXABLE INCOME RECEIVED BY, AND  
22 ACCRUING TO, SUCH CORPORATION DURING THE FIRST SIX MONTHS OF THE  
23 FISCAL YEAR COMMENCING IN THE CALENDAR YEAR 1972 AND AT THE RATE  
24 OF ELEVEN PER CENT, SHALL BE LEVIED, COLLECTED, AND PAID UPON  
25 ALL TAXABLE INCOME RECEIVED BY, AND ACCRUING TO, SUCH  
26 CORPORATION DURING THE SECOND SIX MONTHS OF THE FISCAL YEAR  
27 COMMENCING IN THE CALENDAR YEAR 1972 AND DURING THE FISCAL YEAR  
28 COMMENCING IN THE CALENDAR YEAR 1973 AND AT THE RATE OF NINE AND  
29 ONE-HALF PER CENT, SHALL BE LEVIED, COLLECTED, AND PAID UPON ALL  
30 TAXABLE INCOME RECEIVED BY, AND ACCRUING TO, SUCH CORPORATION

1 DURING THE FISCAL YEAR COMMENCING IN THE CALENDAR [YEAR] YEARS  
2 1974, 1975 AND 1976 AND AT THE RATE OF ~~ELEVEN~~ TEN AND THREE- <—  
3 FOURTHS PER CENT, SHALL BE LEVIED, COLLECTED, AND PAID UPON ALL  
4 TAXABLE INCOME RECEIVED BY, AND ACCRUING TO, SUCH CORPORATION  
5 DURING THE FISCAL YEAR COMMENCING IN THE CALENDAR YEAR 1977 AND  
6 DURING EACH FISCAL YEAR THEREAFTER. NO PENALTY PRESCRIBED BY  
7 SUBSECTION (E) OF SECTION 1202.1 SHALL BE ASSESSED AGAINST A  
8 CORPORATION FOR THE ADDITIONAL TAX WHICH MAY BE DUE AS A RESULT  
9 OF THE INCREASE IN TAX RATE FROM NINE AND ONE-HALF PER CENT TO  
10 ~~ELEVEN~~ TEN AND THREE-FOURTHS PER CENT IMPOSED RETROACTIVELY BY <—  
11 THIS SECTION FOR THE CALENDAR YEAR 1977 OR FOR THE FISCAL YEAR  
12 COMMENCING IN 1977.

13 SECTION 4. SUBSECTION (A) OF SECTION 407 OF THE ACT IS  
14 AMENDED TO READ:

15 SECTION 407. SETTLEMENT AND RESETTLEMENT.--(A) ALL TAXES  
16 DUE UNDER THIS ARTICLE SHALL BE SETTLED BY THE DEPARTMENT, AND  
17 SUCH SETTLEMENT SHALL BE SUBJECT TO AUDIT AND APPROVAL BY THE  
18 DEPARTMENT OF THE AUDITOR GENERAL, AND SHALL, SO FAR AS  
19 POSSIBLE, BE MADE SO THAT NOTICE THEREOF MAY REACH THE TAXPAYER  
20 [BEFORE THE END OF TWO YEARS] WITHIN EIGHTEEN MONTHS AFTER THE  
21 TAX REPORT WAS REQUIRED TO BE MADE.

22 \* \* \*

23 SECTION 5. SECTION 502 OF THE ACT, AMENDED MARCH 13, 1974  
24 (P.L.179, NO.32), IS AMENDED TO READ:

25 SECTION 502. IMPOSITION OF TAX.--EVERY CORPORATION CARRYING  
26 ON ACTIVITIES IN THIS COMMONWEALTH OR OWNING PROPERTY IN THIS  
27 COMMONWEALTH BY OR IN THE NAME OF ITSELF OR ANY PERSON,  
28 PARTNERSHIP, JOINT-STOCK ASSOCIATION OR CORPORATION SHALL BE  
29 SUBJECT TO AND SHALL PAY A STATE PROPERTY TAX ON TAXABLE INCOME  
30 DERIVED FROM SOURCES WITHIN THIS COMMONWEALTH AT THE RATE OF

1 TWELVE PER CENT PER ANNUM UPON EACH DOLLAR OF SUCH TAXABLE  
2 INCOME RECEIVED BY AND ACCRUING TO SUCH CORPORATION DURING THE  
3 CALENDAR YEAR 1971 AND THE FIRST SIX MONTHS OF 1972 AND AT THE  
4 RATE OF ELEVEN PER CENT PER ANNUM UPON EACH DOLLAR OF TAXABLE  
5 INCOME OF SUCH CORPORATION RECEIVED BY, AND ACCRUING TO, SUCH  
6 CORPORATION DURING THE SECOND SIX MONTHS OF CALENDAR YEAR 1972  
7 THROUGH THE CALENDAR YEAR 1973 AND AT THE RATE OF NINE AND ONE-  
8 HALF PER CENT PER ANNUM UPON EACH DOLLAR OF TAXABLE INCOME OF  
9 SUCH CORPORATION RECEIVED BY, AND ACCRUING TO, SUCH CORPORATION  
10 DURING THE CALENDAR [YEAR] YEARS 1974, 1975 AND 1976 AND AT THE  
11 RATE OF ~~ELEVEN~~ TEN AND THREE-FOURTHS PER CENT PER ANNUM UPON <—  
12 EACH DOLLAR OF TAXABLE INCOME OF SUCH CORPORATION RECEIVED BY,  
13 AND ACCRUING TO, SUCH CORPORATION DURING THE CALENDAR YEAR 1977  
14 AND EACH CALENDAR YEAR THEREAFTER, EXCEPT WHERE A CORPORATION  
15 REPORTS TO THE FEDERAL GOVERNMENT ON THE BASIS OF A FISCAL YEAR  
16 AND HAS CERTIFIED SUCH FACT TO THE DEPARTMENT AS REQUIRED BY  
17 SECTION 403 OF ARTICLE IV, IN WHICH CASE SUCH TAX AT THE RATE OF  
18 TWELVE PER CENT SHALL BE LEVIED, COLLECTED AND PAID UPON EACH  
19 DOLLAR OF SUCH TAXABLE INCOME RECEIVED BY AND ACCRUING TO SUCH  
20 CORPORATION DURING THE FIRST SIX MONTHS OF THE FISCAL YEAR  
21 COMMENCING IN THE CALENDAR YEAR 1972 AND AT THE RATE OF ELEVEN  
22 PER CENT SHALL BE LEVIED, COLLECTED, AND PAID UPON ALL TAXABLE  
23 INCOME RECEIVED BY, AND ACCRUING TO, SUCH CORPORATION DURING THE  
24 SECOND SIX MONTHS OF THE FISCAL YEAR COMMENCING IN THE CALENDAR  
25 YEAR 1972 AND DURING THE FISCAL YEAR COMMENCING IN THE CALENDAR  
26 YEAR 1973 AND AT THE RATE OF NINE AND ONE-HALF PER CENT, SHALL  
27 BE LEVIED, COLLECTED, AND PAID UPON ALL TAXABLE INCOME RECEIVED  
28 BY, AND ACCRUING TO, SUCH CORPORATION DURING THE FISCAL YEAR  
29 COMMENCING IN THE CALENDAR [YEAR] YEARS 1974, 1975 AND 1976 AND  
30 AT THE RATE OF ~~ELEVEN~~ TEN AND THREE-FOURTHS PER CENT, SHALL BE <—

1 LEVIED, COLLECTED, AND PAID UPON ALL TAXABLE INCOME RECEIVED BY,  
2 AND ACCRUING TO, SUCH CORPORATION DURING THE FISCAL YEAR  
3 COMMENCING IN THE CALENDAR YEAR 1977 AND EACH FISCAL YEAR  
4 THEREAFTER: PROVIDED, HOWEVER, THAT SUCH TAXABLE INCOME SHALL  
5 NOT INCLUDE INCOME FOR ANY PERIOD FOR WHICH THE CORPORATION IS  
6 SUBJECT TO TAXATION UNDER ARTICLE IV: AND, PROVIDED FURTHER,  
7 THAT NO PENALTY PRESCRIBED BY SUBSECTION (E) OF SECTION 1202.1  
8 SHALL BE ASSESSED AGAINST A CORPORATION FOR THE ADDITIONAL TAX  
9 WHICH MAY BE DUE AS A RESULT OF THE INCREASE IN TAX RATE FROM  
10 NINE AND ONE-HALF PER CENT TO ~~ELEVEN~~ TEN AND THREE-FOURTHS PER <—  
11 CENT IMPOSED RETROACTIVELY BY THIS SECTION FOR THE CALENDAR YEAR  
12 1977 OR FOR THE FISCAL YEAR COMMENCING IN 1977.

13 SECTION 6. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

14 SECTION 1202.1. PREPAYMENT OF TAX.--(A) NOTWITHSTANDING THE  
15 PROVISIONS OF THIS ACT, OR ANY OTHER STATE TAX LAW TO THE  
16 CONTRARY, WHICH REQUIRED TAXPAYERS TO MAKE PAYMENT OF TENTATIVE  
17 TAX, INCLUDING BUT NOT LIMITED TO THE CAPITAL STOCK AND  
18 FRANCHISE TAX, CORPORATE NET INCOME AND CORPORATION INCOME TAX,  
19 GROSS RECEIPTS TAX ON PUBLIC SERVICE COMPANIES, TRANSPORTATION  
20 BY MOTOR VEHICLES AND TRACKLESS TROLLEYS, OTHER THAN MOTOR  
21 VEHICLES FOR HIRE, INSURANCE PREMIUMS TAX, MUTUAL THRIFT  
22 INSTITUTIONS TAX, NET EARNINGS TAX, OR OTHER SIMILAR TAX LAW  
23 REQUIRING PAYMENT OF TENTATIVE TAX, BUT EXCLUDING THE PREPAYMENT  
24 BY BANKS AND SAVINGS INSTITUTIONS UNDER ARTICLE VII AND TITLE  
25 INSURANCE AND TRUST COMPANIES UNDER ARTICLE VIII OF THIS ACT,  
26 SUCH TAXPAYERS, COMMENCING WITH THE CALENDAR YEAR 1970 AND  
27 FISCAL YEARS BEGINNING DURING THE CALENDAR YEAR 1970 AND EACH  
28 TAXABLE YEAR THEREAFTER, ON OR BEFORE THE FIFTEENTH DAY OF APRIL  
29 FOR CALENDAR YEAR TAXPAYERS, AND ON OR BEFORE THE FIFTEENTH DAY  
30 OF THE FOURTH MONTH AFTER THE CLOSE OF ITS PREVIOUS FISCAL YEAR



1 FOR FISCAL YEAR TAXPAYERS, SHALL REPORT ANNUALLY AND PAY ON  
2 ACCOUNT OF THE TAX DUE FOR THE CURRENT YEAR, AN AMOUNT TO BE  
3 COMPUTED BY APPLYING THE CURRENT TAX RATE TO NINETY PER CENT OF  
4 SUCH TAX BASE FROM THE IMMEDIATE PRIOR YEAR AS MAY BE APPLICABLE  
5 WITH RESPECT TO THE TAX BEING REPORTED.

6 (B) FOR THE TAXABLE YEARS COMMENCING WITH CALENDAR YEAR 1979  
7 AND FOR EACH TAXABLE YEAR THEREAFTER, THE TENTATIVE TAX DUE FOR  
8 THE CURRENT YEAR SHALL BE COMPUTED BY APPLYING THE CURRENT TAX  
9 RATE TO NINETY PER CENT OF SUCH TAX BASE FROM THE YEAR PRECEDING  
10 THE IMMEDIATE PRIOR YEAR AS MAY BE APPLICABLE WITH RESPECT TO  
11 THE TAX BEING REPORTED; EXCEPT THAT WITH RESPECT TO THE  
12 AFORESAID GROSS RECEIPTS TAX ON PUBLIC SERVICE COMPANIES,  
13 TRANSPORTATION BY MOTOR VEHICLES AND TRACKLESS TROLLEYS, OTHER  
14 THAN MOTOR VEHICLES FOR HIRE, AND THE AFORESAID INSURANCE  
15 PREMIUMS TAX, SUCH AMOUNT SHALL CONTINUE TO BE COMPUTED BY  
16 APPLYING THE CURRENT TAX RATE TO NINETY PER CENT OF THE TAX BASE  
17 FROM THE IMMEDIATE PRIOR YEAR AS MAY BE APPLICABLE WITH RESPECT  
18 TO THE TAX BEING REPORTED.

19 THE TAX IMPOSED ON SHARES OF BANK AND SAVINGS INSTITUTIONS  
20 AND TITLE INSURANCE AND TRUST COMPANIES SHALL BE PAID IN THE  
21 MANNER AND WITHIN THE TIME PRESCRIBED BY ARTICLE VII OR ARTICLE  
22 VIII, AS THE CASE MAY BE, BUT SUBJECT TO THE ADDITIONS AND  
23 INTEREST PROVIDED IN SUBSECTION (E) OF THIS SECTION.

24 (C) PAYMENT OF TAXES IMPOSED BY ARTICLES IV, V, IX AND XI OF  
25 THIS ACT AND BY THE ACT OF JUNE 22, 1964 (P.L.16, NO.2), KNOWN  
26 AS "THE MUTUAL THRIFT INSTITUTIONS TAX ACT," MAY AT THE  
27 TAXPAYER'S ELECTION BE AN AMOUNT ESTIMATED BY THE TAXPAYER WHICH  
28 ESTIMATED AMOUNT SHALL NOT BE LESS THAN NINETY PER CENT OF THE  
29 TAX AS IS FINALLY REPORTED IN THE ANNUAL TAX REPORT FOR THE  
30 CURRENT CALENDAR OR FISCAL YEAR.

1       (D) A CORPORATION WITH RESPECT TO THE CORPORATE NET INCOME  
 2   TAX IMPOSED BY ARTICLE IV AND THE CORPORATION INCOME TAX IMPOSED  
 3   BY ARTICLE V OF THIS ACT MAY, AT ITS ELECTION, REPORT AND PAY IN  
 4   INSTALLMENTS ON ACCOUNT OF THE TAX DUE FOR THE CURRENT TAXABLE  
 5   YEAR AN AMOUNT COMPUTED EITHER BY APPLYING THE CURRENT TAX RATE  
 6   TO NINETY PER CENT OF THE TAX BASE AS DETERMINED IN SUBSECTION  
 7   (A) OR (B) OF THIS SECTION, OR AS COMPUTED ON THE BASIS  
 8   ESTIMATED BY THE TAXPAYER TO BE DUE FOR THE CURRENT YEAR WHICH  
 9   ESTIMATED AMOUNT SHALL NOT BE LESS THAN NINETY PER CENT OF THE  
 10   TAX AS IS FINALLY REPORTED IN THE ANNUAL TAX REPORT FOR THE  
 11   CURRENT YEAR AS PROVIDED IN SUBSECTION (C) OF THIS SECTION. THE  
 12   INSTALLMENTS SHALL BE PAID IN ACCORDANCE WITH THE FOLLOWING  
 13   SCHEDULES:

|                    | <u>FIRST</u>                                       | <u>SECOND</u>    | <u>THIRD</u>     | <u>FOURTH</u>     |
|--------------------|--|------------------|------------------|-------------------|
| <u>YEAR IN</u>     | <u>DUE ON THE 15TH DAY OF THE FOLLOWING MONTHS</u> |                  |                  |                   |
| <u>WHICH TAX</u>   | <u>AFTER CLOSE OF THE PREVIOUS TAX YEAR:</u>       |                  |                  |                   |
| <u>YEAR BEINGS</u> | <u>4TH MONTH</u>                                   | <u>6TH MONTH</u> | <u>9TH MONTH</u> | <u>12TH MONTH</u> |
| <u>1978</u>        | <u>95%</u>   | <u>0%</u>        | <u>5%</u>        | <u>0%</u>         |
| <u>1979</u>        | <u>95%</u>   | <u>0%</u>        | <u>5%</u>        | <u>0%</u>         |
| <u>1980</u>        | <u>80%</u>   | <u>0%</u>        | <u>10%</u>       | <u>10%</u>        |
| <u>1981</u>        | <u>40%</u>   | <u>30%</u>       | <u>20%</u>       | <u>10%</u>        |
| <u>1982</u>        | <u>30%</u>   | <u>30%</u>       | <u>25%</u>       | <u>15%</u>        |
| <u>1983 AND</u>    |  |                  |                  |                   |
| <u>THEREAFTER</u>  | <u>25%</u>   | <u>25%</u>       | <u>25%</u>       | <u>25%</u>        |

25   ANY TAXPAYER WHICH HAS ELECTED TO COMPUTE ITS TENTATIVE TAX  
 26   LIABILITY ON THE AFORESAID ESTIMATED BASIS AND WHICH HAS ELECTED  
 27   TO REPORT AND PAY SAID ESTIMATED TAX IN INSTALLMENTS, MAY WHEN  
 28   REPORTING AND PAYING ITS THIRD OR FOURTH INSTALLMENT, BASE SUCH  
 29   INSTALLMENT ON AN AMENDED TENTATIVE TAX REPORT REFLECTING THE  
 30   TAXPAYER'S NEW ESTIMATE OF ITS TAX LIABILITY FOR THE TAX YEAR:

1 PROVIDED, THAT THE NEW ESTIMATE REFLECTS A LOWER TAX LIABILITY  
2 THAN WAS PREVIOUSLY REPORTED IN ITS ORIGINAL OR, IF APPLICABLE,  
3 AMENDED TENTATIVE TAX REPORT. IF AN AMENDED TENTATIVE TAX REPORT  
4 IS FILED, EACH REMAINING INSTALLMENT PAYMENT DUE, IF ANY, SHALL  
5 BE SUCH AS TO BRING THE TOTAL INSTALLMENT PAYMENTS MADE ON  
6 ACCOUNT OF THE TAX DUE FOR THE CURRENT TAXABLE YEAR UP TO AN  
7 AMOUNT DETERMINED BY MULTIPLYING THE TENTATIVE TAX DUE FOR THE  
8 YEAR AS REPORTED IN THE AMENDED REPORT BY THE SUM OF THE  
9 PERCENTAGES SET FORTH IN THE ABOVE SCHEDULE FOR THE APPLICABLE  
10 ELAPSED INSTALLMENTS.

11 THE REMAINING PORTION OF THE TAX DUE, IF ANY, SHALL BE PAID  
12 UPON THE DATE THE TAXPAYER'S ANNUAL REPORT IS REQUIRED TO BE  
13 FILED UNDER THE APPLICABLE TAX STATUTE, DETERMINED WITHOUT  
14 REFERENCE TO ANY EXTENSION OF TIME FOR FILING SUCH REPORT.

15 (E) FOR TAXABLE YEARS BEGINNING PRIOR TO JANUARY 1, 1979,  
16 SHOULD IT SUBSEQUENTLY BE DETERMINED THAT THE AMOUNT OF THE  
17 ANNUAL OR ANY INSTALLMENT PAYMENT OF TENTATIVE TAX DUE WAS  
18 UNDERSTATED BY MORE THAN FIVE PER CENT, THERE SHALL BE ADDED TO  
19 THE TAX DETERMINED TO BE DUE AN ADDITIONAL TEN PER CENT OF THE  
20 UNDERSTATEMENT AND SAID PERCENTAGE ADDITION TO THE  
21 UNDERSTATEMENT SHALL BE DEEMED AN ADDITIONAL TAX AND SHALL BEAR  
22 INTEREST FROM THE DATE THE TENTATIVE TAX WAS DUE.

23 FOR TAXABLE YEARS BEGINNING JANUARY 1, 1979 AND THEREAFTER,  
24 SHOULD IT SUBSEQUENTLY BE DETERMINED THAT THE AMOUNT OF THE  
25 ANNUAL OR ANY INSTALLMENT PAYMENT OF TENTATIVE TAX DUE WAS  
26 UNDERPAID, THERE SHALL BE IMPOSED AN ADDITIONAL TAX OR TEN PER  
27 CENT OF THE UNDERPAYMENT AND SAID TAX SHALL BEAR INTEREST FROM  
28 THE DATE THE ANNUAL OR ANY INSTALLMENT PAYMENT OF TENTATIVE TAX  
29 WAS DUE. FAILURE TO REMIT THE ANNUAL OR ANY INSTALLMENT OF  
30 TENTATIVE TAX PAYMENTS ON OR BEFORE THE DUE DATES PRESCRIBED IN

1 THIS ACT SHALL RESULT IN THE ASSESSMENT OF INTEREST AND  
2 ADDITIONS, IF ANY, IN THE SAME MANNER AS PRESCRIBED BY LAW.

3 SECTION 7. THE ACT OF MARCH 16, 1970 (P.L.180, NO.69),  
4 ENTITLED "AN ACT RELATING TO STATE TAXATION; CHANGING THE MANNER  
5 IN WHICH TENTATIVE AND ANNUAL TAXES ARE TO BE PAID; PROVIDING A  
6 PENALTY IN CERTAIN CASES; AND MAKING A REPEALER," IS REPEALED ON  
7 THE DATE THE AMENDATORY PROVISIONS OF SECTION 1202.1 OF THIS  
8 ARTICLE BECOME APPLICABLE.

9 SECTION 8. THIS ACT SHALL TAKE EFFECT IMMEDIATELY, BUT  
10 CERTAIN ARTICLES, SECTIONS OR PARTS OR PROVISIONS SHALL BE  
11 APPLICABLE AS FOLLOWS:

12 (1) THE RATE OF TAX IMPOSED BY SECTION 302 SHALL APPLY ON  
13 JANUARY 1, 1978 AND THEREAFTER.

14 (2) THE RATE OF TAX IMPOSED BY SECTIONS 402 AND 502 SHALL BE  
15 APPLICABLE TO THE CALENDAR YEAR 1977 OR FISCAL YEAR BEGINNING  
16 1977.

17 (3) SECTION 407 OF THE ACT RELATING TO SETTLEMENT SHALL  
18 FIRST APPLY TO REPORTS FILED FOR THE TAXABLE YEAR 1978.

19 (4) SECTION 1202.1 SHALL TAKE EFFECT IMMEDIATELY, AND SHALL  
20 APPLY TO TENTATIVE TAX REPORTS AND PAYMENTS FOR THE CALENDAR AND  
21 FISCAL YEARS BEGINNING IN 1978 AND THEREAFTER.