

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 16, 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; IMPOSING <—  
14 CERTAIN CONDITIONS IN THE SAVING CLAUSE OF THE PERSONAL  
15 INCOME TAX AS TO THE VALIDITY OF STATE LAWS AUTHORIZING  
16 CITIES OF THE FIRST CLASS BY ORDINANCE TO IMPOSE A TAX ON THE  
17 INCOME OF NONRESIDENTS OF SUCH CITY; INCREASING THE RATE OF  
18 TAX IMPOSED ON CERTAIN CORPORATIONS; CHANGING THE PERIOD FOR  
19 SETTLEMENT OF CORPORATE INCOME TAXES AND CHANGING THE  
20 PREPAYMENT OF TAX PROVISIONS FOR SUCH TAXES; PRESCRIBING THE  
21 EFFECTIVE DATE FOR VARIOUS PROVISIONS AND REPEALING A CERTAIN  
22 ACT.

23 The General Assembly of the Commonwealth of Pennsylvania  
24 hereby enacts as follows:

25 ~~Section 1. Sections 220, 336 and 403.1 act of March 4, 1971~~ <—  
26 ~~(P.L.6, No.2), known as the "Tax Reform Code of 1971," amended~~

1 ~~June 27, 1974 (P.L.376, No.126), are amended to read:~~

2 ~~Section 220. Timely Mailing Treated as Timely Filing and~~  
3 ~~Payment. Notwithstanding the provisions of any State tax law to~~  
4 ~~the contrary, whenever a report, petition or payment of all or~~  
5 ~~any portion of a State tax is required by law to be received by~~  
6 ~~the Pennsylvania Department of Revenue or Board of Finance and~~  
7 ~~Revenue or other agency of the Commonwealth on or before a day~~  
8 ~~certain, the taxpayer shall be deemed to have complied with such~~  
9 ~~law if the letter transmitting the report, petition or payment~~  
10 ~~of such tax which has been received by the department or Board~~  
11 ~~of Finance and Revenue is postmarked by the United States Postal~~  
12 ~~Service on or prior to the final day on which the report,~~  
13 ~~petition or payment is to be received. Notwithstanding the~~  
14 ~~provisions of any State tax law to the contrary, whenever the~~  
15 ~~due date for timely filing shall fall on a Saturday, Sunday, or~~  
16 ~~a legal holiday, the timely filing date shall be continued to~~  
17 ~~midnight of the first full business day following.~~

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

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

1 ~~evidence of timely filing and payment.~~

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

3 SECTION 1. SECTION 302 OF THE ACT OF MARCH 4, 1971 (P.L.6, <—  
4 NO.2), KNOWN AS THE "TAX REFORM CODE OF 1971," ADDED AUGUST 31,  
5 1971 (P.L.362, NO.93) AND AMENDED MARCH 13, 1974 (P.L.179,  
6 NO.32), IS AMENDED TO READ:

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

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

19 SECTION 2. ~~SECTION 351~~ SECTIONS 351 AND 359 OF THE ACT, <—  
20 ADDED AUGUST 31, 1971 (P.L.362, NO.93), ~~IS~~ ARE AMENDED TO READ: <—

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

30 SECTION 359. SAVING CLAUSE AND LIMITATIONS.--(A) <—

1 NOTWITHSTANDING ANYTHING CONTAINED IN ANY LAW TO THE CONTRARY,  
2 INCLUDING BUT NOT LIMITED TO THE PROVISIONS OF THE ACT OF AUGUST  
3 5, 1932 (SP.SESS., P.L.45, NO.45), REFERRED TO AS THE STERLING  
4 ACT, THE VALIDITY OF ANY ORDINANCE OR PART OF ANY ORDINANCE OR  
5 ANY RESOLUTION OR PART OF ANY RESOLUTION, AND ANY AMENDMENTS OR  
6 SUPPLEMENTS THERETO NOW OR HEREAFTER ENACTED OR ADOPTED BY ANY  
7 POLITICAL SUBDIVISION OF THIS COMMONWEALTH FOR OR RELATING TO  
8 THE IMPOSITION, LEVY OR COLLECTION OF ANY TAX, SHALL NOT BE  
9 AFFECTED OR IMPAIRED BY ANYTHING CONTAINED IN THIS ARTICLE,  
10 EXCEPT AS HEREINAFTER PROVIDED IN SUBSECTION (B) OF THIS  
11 SECTION.

12 (B) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (A) OF THIS  
13 SECTION TO THE CONTRARY, ANY RATE OF TAX IMPOSED BY ORDINANCE OF  
14 A CITY OF THE FIRST CLASS PURSUANT TO THE ABOVE CITED STERLING  
15 ACT ON SALARIES, WAGES, COMMISSIONS, COMPENSATION OR OTHER  
16 INCOME RECEIVED OR TO BE RECEIVED FOR WORK DONE OR SERVICES  
17 PERFORMED WITHIN SUCH CITY BY PERSONS WHO ARE NOT LEGAL  
18 RESIDENTS OF SUCH CITY, SHALL NOT, EXCEPT AS HEREINAFTER  
19 PROVIDED, EXCEED THE TAX IMPOSITION RATE OF FOUR AND FIVE-  
20 SIXTEENTHS PER CENT FOR THE TAX YEAR 1977 OR FOR ANY TAX YEAR  
21 THEREAFTER.

22 IN THE EVENT SUCH CITY BY ORDINANCE IMPOSES A TAX RATE ON  
23 RESIDENTS OR NONRESIDENTS IN EXCESS OF THE AFORESAID TAX RATE ON  
24 THE INCOME CATEGORIES ENUMERATED HEREIN, THE PROVISIONS OF THE  
25 ORDINANCE IMPOSING SUCH TAX RATE INCREASE ON INCOME OF PERSONS  
26 WHO ARE LEGAL RESIDENTS OF SUCH CITY, SHALL BE DEEMED VALID AND  
27 LEGALLY EFFECTIVE WITHIN THE MEANING AND APPLICATION OF  
28 SUBSECTION (A) HEREIN. BUT THE PROVISIONS OF SUCH ORDINANCE  
29 IMPOSING A TAX RATE IN EXCESS OF FOUR AND FIVE-SIXTEENTHS PER  
30 CENT WITH RESPECT TO PERSONS WHO ARE NOT LEGAL RESIDENTS OF SUCH

1 CITY SHALL BE DEEMED SUSPENDED AND WITHOUT ANY VALIDITY TO THE  
2 EXTENT THAT SUCH TAX RATE EXCEEDS THE TAX RATE OF FOUR AND FIVE-  
3 SIXTEENTHS PER CENT ON INCOME OF SUCH NONRESIDENTS. AND, SUCH  
4 EXCESS TAX RATE PROVISIONS SHALL REMAIN SUSPENDED AND WITHOUT  
5 ANY VALIDITY UNTIL SUCH DATE AS THE CITY OF THE FIRST CLASS, BY  
6 ORDINANCE, IMPOSES A RATE OF TAX ON INCOME OF BOTH LEGAL  
7 RESIDENTS OR NONRESIDENTS OF SUCH CITY IN EXCESS OF THE TAX RATE  
8 IMPOSITION OF FIVE AND THREE-FOURTHS PER CENT PER YEAR. IN SUCH  
9 CASE THE LEGISLATURE HEREBY DECLARES SUCH SUSPENSION TO BE  
10 REMOVED AND THE TAX RATE VALID AS TO NONRESIDENTS, PROVIDED,  
11 HOWEVER, THAT SUCH SUSPENSION IS REMOVED AND THE RATE DEEMED  
12 VALID ONLY TO THE EXTENT THE TAX RATE IMPOSED ON INCOME OF SUCH  
13 NONRESIDENTS DOES NOT EXCEED SEVENTY-FIVE PER CENT OF THE TAX  
14 RATE IMPOSED BY ORDINANCE PER YEAR ON THE INCOME OF LEGAL  
15 RESIDENTS OF SUCH CITY. IT IS THE INTENTION OF THE LEGISLATURE  
16 BY THIS SUBSECTION TO IMPOSE CERTAIN TERMS AND CONDITIONS WITH  
17 RESPECT TO THE VALIDITY AND LEGAL EFFECTIVENESS OF THE STERLING  
18 ACT OR OF ANY ORDINANCE OF THE CITY OF THE FIRST CLASS ENACTED  
19 PURSUANT THERETO WHICH IMPOSES A TAX ON THE INCOME OF  
20 NONRESIDENTS OF SUCH CITY.

21 NOTWITHSTANDING THE SUSPENSION PROVISIONS SET FORTH  
22 HERETOFORE, EACH CITY OF THE FIRST CLASS WHICH IMPOSES A TAX  
23 PURSUANT TO THE ABOVE CITED STERLING ACT SHALL, BY ORDINANCE  
24 DIRECT EVERY EMPLOYER MAINTAINING AN OFFICE OR TRANSACTING  
25 BUSINESS WITHIN SUCH CITY AND MAKING PAYMENT OF COMPENSATION (I)  
26 TO A RESIDENT INDIVIDUAL, OR (II) TO A NONRESIDENT INDIVIDUAL  
27 TAXPAYER PERFORMING SERVICES ON BEHALF OF SUCH EMPLOYER WITHIN  
28 SUCH CITY, SHALL DEDUCT AND WITHHOLD FROM SUCH COMPENSATION FOR  
29 EACH PAYROLL PERIOD A TAX COMPUTED IN SUCH MANNER AS TO RESULT,  
30 SO FAR AS PRACTICABLE, IN WITHHOLDING FROM THE EMPLOYE'S

1 COMPENSATION DURING EACH CALENDAR YEAR AN AMOUNT SUBSTANTIALLY  
2 EQUIVALENT TO THE TAX REASONABLY ESTIMATED TO BE DUE FOR SUCH  
3 YEAR WITH RESPECT TO SUCH COMPENSATION. THE METHOD OF  
4 DETERMINING THE AMOUNT TO BE WITHHELD SHALL BE TO WITHHOLD THE  
5 HIGHEST AMOUNT OF TAX IMPOSED WITH PROVISION IN SUCH ORDINANCE  
6 TO PROVIDE REFUNDS OF THE EXCESS TAX WITHHELD TO QUALIFIED  
7 NONRESIDENT TAXPAYERS WITHIN FOUR MONTHS OF THE END OF EACH  
8 CALENDAR YEAR.

9 IN THE EVENT THAT ALL OR ANY PART OF THE PROVISIONS OF  
10 SUBSECTION (B) OF THIS SECTION ARE DECLARED BY A COURT TO BE  
11 UNCONSTITUTIONAL, IT SHALL BE THE DUTY OF THE COURT TO CONSTRUE  
12 THE REMAINING AMENDATORY PROVISIONS TO ARTICLE III IN ACCORDANCE  
13 WITH SECTION 358.

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

16 SECTION 402. IMPOSITION OF TAX.--EVERY CORPORATION SHALL BE  
17 SUBJECT TO, AND SHALL PAY FOR THE PRIVILEGE OF DOING BUSINESS IN  
18 THIS COMMONWEALTH, OR HAVING CAPITAL OR PROPERTY EMPLOYED OR  
19 USED IN THIS COMMONWEALTH, BY OR IN THE NAME OF ITSELF, OR ANY  
20 PERSON, PARTNERSHIP, ASSOCIATION, LIMITED PARTNERSHIP, JOINT-  
21 STOCK ASSOCIATION, OR CORPORATION, A STATE EXCISE TAX AT THE  
22 RATE OF TWELVE PER CENT PER ANNUM UPON EACH DOLLAR OF TAXABLE  
23 INCOME OF SUCH CORPORATION RECEIVED BY, AND ACCRUING TO, SUCH  
24 CORPORATION DURING THE CALENDAR YEAR 1971 AND THE FIRST SIX  
25 MONTHS OF 1972 AND AT THE RATE OF ELEVEN PER CENT PER ANNUM UPON  
26 EACH DOLLAR OF TAXABLE INCOME OF SUCH CORPORATION RECEIVED BY,  
27 AND ACCRUING TO, SUCH CORPORATION DURING THE SECOND SIX MONTHS  
28 OF CALENDAR YEAR 1972 THROUGH THE CALENDAR YEAR 1973 AND AT THE  
29 RATE OF NINE AND ONE-HALF PER CENT PER ANNUM UPON EACH DOLLAR OF  
30 TAXABLE INCOME OF SUCH CORPORATION RECEIVED BY, AND ACCRUING TO,

1 SUCH CORPORATION DURING THE CALENDAR [YEAR] YEARS 1974, 1975 AND  
2 1976 AND AT THE RATE OF ~~ELEVEN TEN AND THREE FOURTHS~~ ELEVEN PER <—  
3 CENT PER ANNUM UPON EACH DOLLAR OF TAXABLE INCOME OF SUCH  
4 CORPORATION RECEIVED BY, AND ACCRUING TO, SUCH CORPORATION  
5 DURING THE CALENDAR YEAR 1977 AND EACH CALENDAR YEAR THEREAFTER,  
6 EXCEPT WHERE A CORPORATION REPORTS TO THE FEDERAL GOVERNMENT ON  
7 THE BASIS OF A FISCAL YEAR, AND HAS CERTIFIED SUCH FACT TO THE  
8 DEPARTMENT AS REQUIRED BY SECTION 403 OF THIS ARTICLE, IN WHICH  
9 CASE, SUCH TAX, AT THE RATE OF TWELVE PER CENT, SHALL BE LEVIED,  
10 COLLECTED, AND PAID UPON ALL TAXABLE INCOME RECEIVED BY, AND  
11 ACCRUING TO, SUCH CORPORATION DURING THE FIRST SIX MONTHS OF THE  
12 FISCAL YEAR COMMENCING IN THE CALENDAR YEAR 1972 AND AT THE RATE  
13 OF ELEVEN PER CENT, SHALL BE LEVIED, COLLECTED, AND PAID UPON  
14 ALL TAXABLE INCOME RECEIVED BY, AND ACCRUING TO, SUCH  
15 CORPORATION DURING THE SECOND SIX MONTHS OF THE FISCAL YEAR  
16 COMMENCING IN THE CALENDAR YEAR 1972 AND DURING THE FISCAL YEAR  
17 COMMENCING IN THE CALENDAR YEAR 1973 AND AT THE RATE OF NINE AND  
18 ONE-HALF PER CENT, SHALL BE LEVIED, COLLECTED, AND PAID UPON ALL  
19 TAXABLE INCOME RECEIVED BY, AND ACCRUING TO, SUCH CORPORATION  
20 DURING THE FISCAL YEAR COMMENCING IN THE CALENDAR [YEAR] YEARS  
21 1974, 1975 AND 1976 AND AT THE RATE OF ~~ELEVEN TEN AND THREE~~ <—  
22 ~~FOURTHS~~ ELEVEN PER CENT, SHALL BE LEVIED, COLLECTED, AND PAID  
23 UPON ALL TAXABLE INCOME RECEIVED BY, AND ACCRUING TO, SUCH  
24 CORPORATION DURING THE FISCAL YEAR COMMENCING IN THE CALENDAR  
25 YEAR 1977 AND DURING EACH FISCAL YEAR THEREAFTER. NO PENALTY  
26 PRESCRIBED BY SUBSECTION (E) OF SECTION 1202.1 SHALL BE ASSESSED  
27 AGAINST A CORPORATION FOR THE ADDITIONAL TAX WHICH MAY BE DUE AS  
28 A RESULT OF THE INCREASE IN TAX RATE FROM NINE AND ONE-HALF PER  
29 CENT TO ~~ELEVEN TEN AND THREE FOURTHS~~ ELEVEN PER CENT IMPOSED <—  
30 RETROACTIVELY BY THIS SECTION FOR THE CALENDAR YEAR 1977 OR FOR



1 THE FISCAL YEAR COMMENCING IN 1977.

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

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

11 \* \* \*

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

14 SECTION 502. IMPOSITION OF TAX.--EVERY CORPORATION CARRYING  
15 ON ACTIVITIES IN THIS COMMONWEALTH OR OWNING PROPERTY IN THIS  
16 COMMONWEALTH BY OR IN THE NAME OF ITSELF OR ANY PERSON,  
17 PARTNERSHIP, JOINT-STOCK ASSOCIATION OR CORPORATION SHALL BE  
18 SUBJECT TO AND SHALL PAY A STATE PROPERTY TAX ON TAXABLE INCOME  
19 DERIVED FROM SOURCES WITHIN THIS COMMONWEALTH AT THE RATE OF  
20 TWELVE PER CENT PER ANNUM UPON EACH DOLLAR OF SUCH TAXABLE  
21 INCOME RECEIVED BY AND ACCRUING TO SUCH CORPORATION DURING THE  
22 CALENDAR YEAR 1971 AND THE FIRST SIX MONTHS OF 1972 AND AT THE  
23 RATE OF ELEVEN PER CENT PER ANNUM UPON EACH DOLLAR OF TAXABLE  
24 INCOME OF SUCH CORPORATION RECEIVED BY, AND ACCRUING TO, SUCH  
25 CORPORATION DURING THE SECOND SIX MONTHS OF CALENDAR YEAR 1972  
26 THROUGH THE CALENDAR YEAR 1973 AND AT THE RATE OF NINE AND ONE-  
27 HALF PER CENT PER ANNUM UPON EACH DOLLAR OF TAXABLE INCOME OF  
28 SUCH CORPORATION RECEIVED BY, AND ACCRUING TO, SUCH CORPORATION  
29 DURING THE CALENDAR [YEAR] YEARS 1974, 1975 AND 1976 AND AT THE  
30 RATE OF ELEVEN TEN AND THREE FOURTHS ELEVEN PER CENT PER ANNUM

<—

1 UPON EACH DOLLAR OF TAXABLE INCOME OF SUCH CORPORATION RECEIVED  
2 BY, AND ACCRUING TO, SUCH CORPORATION DURING THE CALENDAR YEAR  
3 1977 AND EACH CALENDAR YEAR THEREAFTER, EXCEPT WHERE A  
4 CORPORATION REPORTS TO THE FEDERAL GOVERNMENT ON THE BASIS OF A  
5 FISCAL YEAR AND HAS CERTIFIED SUCH FACT TO THE DEPARTMENT AS  
6 REQUIRED BY SECTION 403 OF ARTICLE IV, IN WHICH CASE SUCH TAX AT  
7 THE RATE OF TWELVE PER CENT SHALL BE LEVIED, COLLECTED AND PAID  
8 UPON EACH DOLLAR OF SUCH TAXABLE INCOME RECEIVED BY AND ACCRUING  
9 TO SUCH CORPORATION DURING THE FIRST SIX MONTHS OF THE FISCAL  
10 YEAR COMMENCING IN THE CALENDAR YEAR 1972 AND AT THE RATE OF  
11 ELEVEN PER CENT SHALL BE LEVIED, COLLECTED, AND PAID UPON ALL  
12 TAXABLE INCOME RECEIVED BY, AND ACCRUING TO, SUCH CORPORATION  
13 DURING THE SECOND SIX MONTHS OF THE FISCAL YEAR COMMENCING IN  
14 THE CALENDAR YEAR 1972 AND DURING THE FISCAL YEAR COMMENCING IN  
15 THE CALENDAR YEAR 1973 AND AT THE RATE OF NINE AND ONE-HALF PER  
16 CENT, SHALL BE LEVIED, COLLECTED, AND PAID UPON ALL TAXABLE  
17 INCOME RECEIVED BY, AND ACCRUING TO, SUCH CORPORATION DURING THE  
18 FISCAL YEAR COMMENCING IN THE CALENDAR [YEAR] YEARS 1974, 1975  
19 AND 1976 AND AT THE RATE OF ~~ELEVEN TEN AND THREE FOURTHS~~ ELEVEN <—  
20 PER CENT, SHALL BE LEVIED, COLLECTED, AND PAID UPON ALL TAXABLE  
21 INCOME RECEIVED BY, AND ACCRUING TO, SUCH CORPORATION DURING THE  
22 FISCAL YEAR COMMENCING IN THE CALENDAR YEAR 1977 AND EACH FISCAL  
23 YEAR THEREAFTER: PROVIDED, HOWEVER, THAT SUCH TAXABLE INCOME  
24 SHALL NOT INCLUDE INCOME FOR ANY PERIOD FOR WHICH THE  
25 CORPORATION IS SUBJECT TO TAXATION UNDER ARTICLE IV: AND,  
26 PROVIDED FURTHER, THAT NO PENALTY PRESCRIBED BY SUBSECTION (E)  
27 OF SECTION 1202.1 SHALL BE ASSESSED AGAINST A CORPORATION FOR  
28 THE ADDITIONAL TAX WHICH MAY BE DUE AS A RESULT OF THE INCREASE  
29 IN TAX RATE FROM NINE AND ONE-HALF PER CENT TO ~~ELEVEN TEN AND~~ <—  
30 ~~THREE FOURTHS~~ ELEVEN PER CENT IMPOSED RETROACTIVELY BY THIS

1 SECTION FOR THE CALENDAR YEAR 1977 OR FOR THE FISCAL YEAR  
2 COMMENCING IN 1977.

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

4 SECTION 1202.1. PREPAYMENT OF TAX.--(A) NOTWITHSTANDING THE  
5 PROVISIONS OF THIS ACT, OR ANY OTHER STATE TAX LAW TO THE  
6 CONTRARY, WHICH REQUIRED TAXPAYERS TO MAKE PAYMENT OF TENTATIVE  
7 TAX, INCLUDING BUT NOT LIMITED TO THE CAPITAL STOCK AND  
8 FRANCHISE TAX, CORPORATE NET INCOME AND CORPORATION INCOME TAX,  
9 GROSS RECEIPTS TAX ON PUBLIC SERVICE COMPANIES, TRANSPORTATION  
10 BY MOTOR VEHICLES AND TRACKLESS TROLLEYS, OTHER THAN MOTOR  
11 VEHICLES FOR HIRE, INSURANCE PREMIUMS TAX, MUTUAL THRIFT  
12 INSTITUTIONS TAX, NET EARNINGS TAX, OR OTHER SIMILAR TAX LAW  
13 REQUIRING PAYMENT OF TENTATIVE TAX, BUT EXCLUDING THE PREPAYMENT  
14 BY BANKS AND SAVINGS INSTITUTIONS UNDER ARTICLE VII AND TITLE  
15 INSURANCE AND TRUST COMPANIES UNDER ARTICLE VIII OF THIS ACT,  
16 SUCH TAXPAYERS, COMMENCING WITH THE CALENDAR YEAR 1970 AND  
17 FISCAL YEARS BEGINNING DURING THE CALENDAR YEAR 1970 AND EACH  
18 TAXABLE YEAR THEREAFTER, ON OR BEFORE THE FIFTEENTH DAY OF APRIL  
19 FOR CALENDAR YEAR TAXPAYERS, AND ON OR BEFORE THE FIFTEENTH DAY  
20 OF THE FOURTH MONTH AFTER THE CLOSE OF ITS PREVIOUS FISCAL YEAR  
21 FOR FISCAL YEAR TAXPAYERS, SHALL REPORT ANNUALLY AND PAY ON  
22 ACCOUNT OF THE TAX DUE FOR THE CURRENT YEAR, AN AMOUNT TO BE  
23 COMPUTED BY APPLYING THE CURRENT TAX RATE TO NINETY PER CENT OF  
24 SUCH TAX BASE FROM THE IMMEDIATE PRIOR YEAR AS MAY BE APPLICABLE  
25 WITH RESPECT TO THE TAX BEING REPORTED.

26 (B) FOR THE TAXABLE YEARS COMMENCING WITH CALENDAR YEAR 1979  
27 AND FOR EACH TAXABLE YEAR THEREAFTER, THE TENTATIVE TAX DUE FOR  
28 THE CURRENT YEAR SHALL BE COMPUTED BY APPLYING THE CURRENT TAX  
29 RATE TO NINETY PER CENT OF SUCH TAX BASE FROM THE YEAR PRECEDING  
30 THE IMMEDIATE PRIOR YEAR AS MAY BE APPLICABLE WITH RESPECT TO

1 THE TAX BEING REPORTED; EXCEPT THAT WITH RESPECT TO THE  
2 AFORESAID GROSS RECEIPTS TAX ON PUBLIC SERVICE COMPANIES,  
3 TRANSPORTATION BY MOTOR VEHICLES AND TRACKLESS TROLLEYS, OTHER  
4 THAN MOTOR VEHICLES FOR HIRE, AND THE AFORESAID INSURANCE  
5 PREMIUMS TAX, SUCH AMOUNT SHALL CONTINUE TO BE COMPUTED BY  
6 APPLYING THE CURRENT TAX RATE TO NINETY PER CENT OF THE TAX BASE  
7 FROM THE IMMEDIATE PRIOR YEAR AS MAY BE APPLICABLE WITH RESPECT  
8 TO THE TAX BEING REPORTED.

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

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

21 (D) A CORPORATION WITH RESPECT TO THE CORPORATE NET INCOME  
22 TAX IMPOSED BY ARTICLE IV AND THE CORPORATION INCOME TAX IMPOSED  
23 BY ARTICLE V OF THIS ACT MAY, AT ITS ELECTION, REPORT AND PAY IN  
24 INSTALLMENTS ON ACCOUNT OF THE TAX DUE FOR THE CURRENT TAXABLE  
25 YEAR AN AMOUNT COMPUTED EITHER BY APPLYING THE CURRENT TAX RATE  
26 TO NINETY PER CENT OF THE TAX BASE AS DETERMINED IN SUBSECTION  
27 (A) OR (B) OF THIS SECTION, OR AS COMPUTED ON THE BASIS  
28 ESTIMATED BY THE TAXPAYER TO BE DUE FOR THE CURRENT YEAR WHICH  
29 ESTIMATED AMOUNT SHALL NOT BE LESS THAN NINETY PER CENT OF THE  
30 TAX AS IS FINALLY REPORTED IN THE ANNUAL TAX REPORT FOR THE

CURRENT YEAR AS PROVIDED IN SUBSECTION (C) OF THIS SECTION. THE  
INSTALLMENTS SHALL BE PAID IN ACCORDANCE WITH THE FOLLOWING  
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 BEGINS</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>

ANY TAXPAYER WHICH HAS ELECTED TO COMPUTE ITS TENTATIVE TAX  
LIABILITY ON THE AFORESAID ESTIMATED BASIS AND WHICH HAS ELECTED  
TO REPORT AND PAY SAID ESTIMATED TAX IN INSTALLMENTS, MAY WHEN  
REPORTING AND PAYING ITS THIRD OR FOURTH INSTALLMENT, BASE SUCH  
INSTALLMENT ON AN AMENDED TENTATIVE TAX REPORT REFLECTING THE  
TAXPAYER'S NEW ESTIMATE OF ITS TAX LIABILITY FOR THE TAX YEAR:  
PROVIDED, THAT THE NEW ESTIMATE REFLECTS A LOWER TAX LIABILITY  
THAN WAS PREVIOUSLY REPORTED IN ITS ORIGINAL OR, IF APPLICABLE,  
AMENDED TENTATIVE TAX REPORT. IF AN AMENDED TENTATIVE TAX REPORT  
IS FILED, EACH REMAINING INSTALLMENT PAYMENT DUE, IF ANY, SHALL  
BE SUCH AS TO BRING THE TOTAL INSTALLMENT PAYMENTS MADE ON  
ACCOUNT OF THE TAX DUE FOR THE CURRENT TAXABLE YEAR UP TO AN  
AMOUNT DETERMINED BY MULTIPLYING THE TENTATIVE TAX DUE FOR THE  
YEAR AS REPORTED IN THE AMENDED REPORT BY THE SUM OF THE  
PERCENTAGES SET FORTH IN THE ABOVE SCHEDULE FOR THE APPLICABLE  
ELAPSED INSTALLMENTS.

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

5     (E) FOR TAXABLE YEARS BEGINNING PRIOR TO JANUARY 1, 1979,  
6     SHOULD IT SUBSEQUENTLY BE DETERMINED THAT THE AMOUNT OF THE  
7     ANNUAL OR ANY INSTALLMENT PAYMENT OF TENTATIVE TAX DUE WAS  
8     UNDERSTATED BY MORE THAN FIVE PER CENT, THERE SHALL BE ADDED TO  
9     THE TAX DETERMINED TO BE DUE AN ADDITIONAL TEN PER CENT OF THE  
10    UNDERSTATEMENT AND SAID PERCENTAGE ADDITION TO THE  
11    UNDERSTATEMENT SHALL BE DEEMED AN ADDITIONAL TAX AND SHALL BEAR  
12    INTEREST FROM THE DATE THE TENTATIVE TAX WAS DUE.

13    FOR TAXABLE YEARS BEGINNING JANUARY 1, 1979 AND THEREAFTER,  
14    SHOULD IT SUBSEQUENTLY BE DETERMINED THAT THE AMOUNT OF THE  
15    ANNUAL OR ANY INSTALLMENT PAYMENT OF TENTATIVE TAX DUE WAS  
16    UNDERPAID, THERE SHALL BE IMPOSED AN ADDITIONAL TAX OF TEN PER  
17    CENT OF THE UNDERPAYMENT AND SAID TAX SHALL BEAR INTEREST FROM  
18    THE DATE THE ANNUAL OR ANY INSTALLMENT PAYMENT OF TENTATIVE TAX  
19    WAS DUE. FAILURE TO REMIT THE ANNUAL OR ANY INSTALLMENT OF  
20    TENTATIVE TAX PAYMENTS ON OR BEFORE THE DUE DATES PRESCRIBED IN  
21    THIS ACT SHALL RESULT IN THE ASSESSMENT OF INTEREST AND  
22    ADDITIONS, IF ANY, IN THE SAME MANNER AS PRESCRIBED BY LAW.

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

29    SECTION 8. THIS ACT SHALL TAKE EFFECT IMMEDIATELY, BUT  
30    CERTAIN ARTICLES, SECTIONS OR PARTS OR PROVISIONS SHALL BE

1 APPLICABLE AS FOLLOWS:

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

4 (2) THE RATE OF TAX IMPOSED BY SECTIONS 402 AND 502 SHALL BE  
5 APPLICABLE TO THE CALENDAR YEAR 1977 OR FISCAL YEAR BEGINNING  
6 1977.

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

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