

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 249

Session of
1977

INTRODUCED BY BRUNNER, ZEARFOSS, HASKELL, PANCOAST, MOEHLMANN,
MEBUS, SCANLON AND VROON, FEBRUARY 9, 1977

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 9, 1977

AN ACT

1 Amending the act of March 16, 1970 (P.L.180, No.69), entitled
2 "An act relating to State taxation; changing the manner in
3 which tentative and annual taxes are to be paid; providing a
4 penalty in certain cases; and making a repealer," providing
5 for penalties relative to the payment of the tentative taxes
6 by corporations.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. Section 1, act of March 16, 1970 (P.L.180,
10 No.69), entitled "An act relating to State taxation; changing
11 the manner in which tentative and annual taxes are to be paid;
12 providing a penalty in certain cases; and making a repealer,"
13 amended November 12, 1971 (P.L.541, No.142), is amended to read:

14 Section 1. (a) Notwithstanding the provisions of any State
15 tax law to the contrary which requires taxpayers to make payment
16 of tentative tax, including but not limited to the capital stock
17 and franchise tax, corporate net income and corporation income
18 tax, gross receipts tax on public service companies,
19 transportation by motor vehicles and trackless trolleys, other
20 than motor vehicles for hire, insurance premiums tax, mutual

1 thrift institutions tax, net earnings tax, or other similar tax
2 law requiring payment of tentative tax, such taxpayers,
3 commencing with the calendar year 1970 and fiscal years
4 beginning during the calendar year 1970 and each taxable year
5 thereafter, on or before the thirtieth day of April for calendar
6 year taxpayers, and on or before the end of the fourth month
7 after the close of its previous fiscal year for fiscal year
8 taxpayers, shall pay on account of the tax due for the current
9 year not less than ninety per cent of the amount of said tax;
10 the said amount to be computed by applying the current tax rate
11 to ninety per cent of such tax base from the [immediate prior
12 year] last filed annual tax report as may be applicable with
13 respect to the tax being reported: Provided, however, That with
14 respect to the taxes imposed by Articles, IV, V, IX, and XI of
15 the act of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform
16 Code of 1971" and "The Mutual Thrift Institutions Tax Act," of
17 June 22, 1964 (P.L.16, No.2), said payment may at the taxpayer's
18 election be computed by applying the current tax rate to ninety
19 per cent of the taxable income, taxable gross premiums, taxable
20 gross receipts, or taxable net earnings, as the case may be,
21 received or accrued by the taxpayer during the first three
22 months of the current calendar or fiscal year period annualized,
23 which amount resulting from said annualization shall not be less
24 than ninety per cent of the tax basis as is actually reported in
25 the annual report for the current calendar or fiscal year. The
26 remaining portion of the tax due shall be paid upon the date the
27 taxpayer's annual report is required to be made under the
28 applicable tax statute.

29 (b) Should it subsequently be determined that the amount of
30 the tentative tax was understated or underpaid by more than five

1 per cent, there shall be added to the tax determined to be due
2 an additional ten per cent of the understatement or underpayment
3 and said percentage addition [to the understatement] shall be
4 deemed an additional tax and shall bear interest from the date
5 the tentative tax was due.

6 Section 2. This act shall take effect immediately and shall
7 apply to tax periods beginning January 1, 1977 and thereafter.