

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 249

Session of
1977

INTRODUCED BY MESSRS. BRUNNER, ZEARFOSS, HASKELL, PANCOAST,
MOEHLMANN, MEBUS, MRS. SCANLON AND MR. VROON,
FEBRUARY 9, 1977

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES,
AS AMENDED, MARCH 15, 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

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

30 (b) Should it subsequently be determined that the amount of

1 the tentative tax was [understated] ~~or underpaid~~ by more than <—
2 five per cent, there shall be added to the tax determined to be
3 due an additional ten per cent of [the understatement] ~~or~~ <—
4 underpayment and said percentage addition [to the
5 understatement] shall be deemed an additional tax and shall bear
6 interest from the date the tentative tax was due.

7 Section 2. This act shall take effect immediately and shall
8 apply to tax periods beginning January 1, ~~1977~~ 1978 and <—
9 thereafter.