

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1730 Session of
1977

INTRODUCED BY GOEBEL AND BURD, OCTOBER 12, 1977

REFERRED TO COMMITTEE ON FINANCE, OCTOBER 12, 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," providing for the payment of interest on taxes
11 overpaid to the Commonwealth.

12 The General Assembly of the Commonwealth of Pennsylvania
13 hereby enacts as follows:

14 Section 1. Section 403, act of March 4, 1971 (P.L.6, No.2),
15 known as the "Tax Reform Code of 1971," is amended by adding a
16 subsection to read:

17 Section 403. Reports and Payment of Tax.--* * *

18 (c.1) Interest on taxes overpaid to the Commonwealth.

19 (1) Interest shall be allowed and paid by the Commonwealth
20 upon any overpayment of any tax, including interest, penalties
21 and additions with respect to such tax, paid to the Commonwealth
22 at a rate of four per cent per annum for the period of the
23 overpayment.

1 (2) Such interest shall be allowed and paid as follows: (i)
2 in the case of a credit, from the date of the overpayment to (A)
3 the date of notice to the taxpayer of the final determination of
4 the credit, or (B) the date as of which the credit is applied,
5 whichever first occurs, (ii) in the case of a cash refund of
6 previously determined credit, interest shall be allowed and paid
7 on the amount of such credit and interest thereon (as determined
8 under clause (1)), from a date ninety days after the filing of a
9 petition for a cash refund of the credit to a date preceding the
10 date of the refund check by not more than thirty days, whether
11 or not such refund check is accepted by the taxpayer after
12 tender of such check to the taxpayer. The acceptance of such
13 check shall be without prejudice to any right of the taxpayer to
14 claim any additional overpayment and interest thereon, (iii) in
15 the case of a cash refund, from the date of the overpayment to a
16 date preceding the date of the refund check by not more than
17 thirty days, whether or not such refund check is accepted by the
18 taxpayer after tender of such check to the taxpayer. The
19 acceptance of such check shall be without prejudice to any right
20 of the taxpayer to claim any additional overpayment and interest
21 thereon.

22 (3) (i) Except as hereinafter provided, payment of any
23 portion of a tax before the last day prescribed for payment
24 shall be considered made on such last day, (ii) any tax actually
25 deducted and withheld at the source shall be deemed to have been
26 paid on the last day prescribed for filing the return for such
27 taxable year (determined without regard to any extension of time
28 for filing such return), (iii) any amount paid as estimated or
29 tentative tax for a taxable year shall be deemed to have been
30 paid on the last day prescribed for filing the final return for

1 such taxable year (determined without regard to any extension of
2 time for filing such return).

3 (4) If any overpayment of tax is refunded or credited within
4 ninety days after the last date prescribed for filing the return
5 of such tax (determined without regard to any extension of time
6 for filing the return) or, in case the return is filed after
7 such last day, is refunded or credited within ninety days after
8 the date the return is filed, no interest shall be allowed under
9 section 1 on such overpayment.

10 * * *

11 Section 2. This act shall take effect immediately and shall
12 apply to the tax year beginning January 1, 1978.