

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 182

Session of
1987

INTRODUCED BY MARKOSEK, FARGO, ANGSTADT, J. L. WRIGHT, HALUSKA, CHADWICK, STABACK, KOSINSKI, CLYMER, BURD, JOHNSON, BIRMELIN, MILLER, COY, DUFFY, McCALL, BELFANTI, SHOWERS, YANDRISEVITS, DISTLER, CARLSON, MOEHLMANN, CORNELL, FLICK, VROON, HERSHEY, PETRONE, REBER, CAPPABIANCA, LUCYK, PERZEL, BUNT, GEIST, TELEK, FOX, SAURMAN, RUDY, PUNT, HERMAN AND VAN HORNE, FEBRUARY 4, 1987

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 4, 1987

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 the rate of corporate net
11 income tax.

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

14 Section 1. Section 402 of the act of March 4, 1971 (P.L.6,
15 No.2), known as the Tax Reform Code of 1971, amended July 2,
16 1986 (P.L.318, No.77), is amended to read:

17 Section 402. Imposition of Tax.--Every corporation shall be
18 subject to, and shall pay for the privilege of (i) doing
19 business in this Commonwealth; or (ii) carrying on activities in
20 this Commonwealth; (iii) having capital or property employed or

1 used in this Commonwealth; or (iv) owning property in this
2 Commonwealth, by or in the name of itself, or any person,
3 partnership, association, limited partnership, joint-stock
4 association, or corporation, a State excise tax at the rate of
5 twelve per cent per annum upon each dollar of taxable income of
6 such corporation received by, and accruing to, such corporation
7 during the calendar year 1971 and the first six months of 1972
8 and at the rate of eleven per cent per annum upon each dollar of
9 taxable income of such corporation received by, and accruing to,
10 such corporation during the second six months of calendar year
11 1972 through the calendar year 1973 and at the rate of nine and
12 one-half per cent per annum upon each dollar of taxable income
13 of such corporation received by, and accruing to, such
14 corporation during the calendar years 1974, 1975 and 1976 and at
15 the rate of ten and one-half per cent per annum upon each dollar
16 of taxable income of such corporation received by, and accruing
17 to, such corporation during the calendar year 1977 through the
18 calendar year 1984 and at the rate of nine and one-half per cent
19 per annum upon each dollar of taxable income of such corporation
20 received by and accruing to such corporation during the calendar
21 year 1985 through calendar year 1986 and at the rate of eight
22 and one-half 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 1987 and at the rate of
25 seven and one-half per cent per annum upon each dollar of
26 taxable income of such corporation received by and accruing to
27 such corporation during the calendar year 1988 and each calendar
28 year thereafter, except where a corporation reports to the
29 Federal Government on the basis of a fiscal year, and has
30 certified such fact to the department as required by section 403

1 of this article, in which case, such tax, at the rate of twelve
2 per cent, shall be levied, collected, and paid upon all taxable
3 income received by, and accruing to, such corporation during the
4 first six months of the fiscal year commencing in the calendar
5 year 1972 [and]; at the rate of eleven per cent, shall be
6 levied, collected, and paid upon all taxable income received by,
7 and accruing to, such corporation during the second six months
8 of the fiscal year commencing in the calendar year 1972 and
9 during the fiscal year commencing in the calendar year 1973
10 [and]; at the rate of nine and one-half per cent, shall be
11 levied, collected, and paid upon all taxable income received by,
12 and accruing to, such corporation during the fiscal year
13 commencing in the calendar years 1974, 1975 and 1976 [and]; at
14 the rate of ten and one-half per cent, shall be levied,
15 collected, and paid upon all taxable income received by, and
16 accruing to, such corporation during the fiscal year commencing
17 in the calendar year 1977 through the fiscal year commencing in
18 1984 [and]; at the rate of nine and one-half per cent, shall be
19 levied, collected, and paid upon all taxable income received by
20 and accruing to such corporation during the fiscal year
21 commencing in 1985 through the fiscal year commencing in 1986
22 [and]; at the rate of eight and one-half per cent [per annum
23 upon each dollar of], shall be levied, collected, and paid upon
24 all taxable income of such corporation received by and accruing
25 to such corporation during the fiscal year commencing in 1987;
26 and at the rate of seven and one-half per cent, shall be levied,
27 collected, and paid upon all taxable income received by and
28 accruing to such corporation during the fiscal year commencing
29 in 1988 and during each fiscal year thereafter. No penalty
30 prescribed by subsection (e) of section 3003 shall be assessed

1 against a corporation for the additional tax which may be due as
2 a result of the increase in tax rate from nine and one-half per
3 cent to ten and one-half per cent imposed retroactively by this
4 section for the calendar year 1977 or for the fiscal year
5 commencing in 1977.

6 Section 2. This act shall take effect July 1, 1987.