

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1027 Session of  
1989

INTRODUCED BY VROON, BUNT, NAHILL, GEIST, DIETTERICK, SAURMAN,  
McVERRY, DORR, WOGAN, CARLSON, ANGSTADT, HERMAN, JOHNSON,  
FLICK, HERSHEY, SEMMEL, HECKLER, CORNELL, E. Z. TAYLOR,  
FARGO, NOYE, BURD, LETTERMAN, OLASZ, MERRY AND LANGTRY,  
APRIL 5, 1989

REFERRED TO COMMITTEE ON FINANCE, APRIL 5, 1989

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 an increase in the discount rate  
11 for collecting sales tax.

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

14 Section 1. Sections 227 and 247 of the act of March 4, 1971  
15 (P.L.6, No.2), known as the Tax Reform Code of 1971, are amended  
16 to read:

17 Section 227. Discount.--If a return is filed by a licensee  
18 and the tax shown to be due thereon less any discount is paid  
19 all within the time prescribed, the licensee shall be entitled  
20 to credit and apply against the tax payable by him a discount of  
21 [one] two per cent of the amount of the tax collected by him on

1 and after the effective date of this article, as compensation  
2 for the expense of collecting and remitting the same and as a  
3 consideration of the prompt payment thereof.

4 Section 247. Prepayment of Tax.--[Whenever a] If any sale  
5 subject to tax pursuant to this article is wholly or partly on  
6 credit or if the vendor is forbidden by law or governmental  
7 regulation to charge and collect the purchase price in advance  
8 of or at the time of delivery, the vendor shall prepay the tax  
9 as required by section 222 of this article, but in [such] either  
10 case if [the purchaser shall fail to pay to the vendor the total  
11 amount of the purchase price and the tax, and such amount is  
12 written off as uncollectible by the vendor, the vendor shall not  
13 be liable for such tax and shall be entitled to a credit or  
14 refund of such tax paid.] any portion of the purchase price of a  
15 sale subject to tax pursuant to this article is written off as  
16 uncollectible, the vendor shall be entitled, within three years  
17 of the date the amount was written off, to a credit which may be  
18 claimed on the vendor's regular returns or a refund which may be  
19 filed pursuant to section 252 (other than the provision of  
20 section 253 relating to the time for filing the petition) of  
21 this article, in an amount equal to the tax previously paid and  
22 remitted to the Commonwealth on that portion of the purchase  
23 price written off. If the purchase price is thereafter  
24 collected, in whole or in part, the tax attributable to the  
25 amount collected shall be [first applied to the payment of the  
26 entire tax portion of the bill, and shall be] remitted to the  
27 department by the vendor with the first return filed after such  
28 collection. [For any tax prepaid prior to the effective date of  
29 this article, credit may be claimed on any returns filed for the  
30 periods prior to the effective date of this article. Tax prepaid

1 after the effective date of this article shall be subject to  
2 refund upon petition to the department under the provisions of  
3 section 252 of this article, filed within one hundred five days  
4 of the close of the fiscal year in which such accounts are  
5 written off.]

6 Section 2. This act shall take effect January 1, 1990.