

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2224 Session of
2000

INTRODUCED BY GORDNER, TRELLO, READSHAW, SOLOBAY, GEORGE,
VAN HORNE, MANN, TRAVAGLIO, HARHAI, COY, CAWLEY, DAILEY,
GEIST, SHANER, BARRAR, WOJNAROSKI, YUDICHAK, GRUCELA, HESS,
ROBINSON, FARGO, KAISER, MICHLOVIC, RUBLEY, McCALL, M. COHEN,
MUNDY, ORIE, SAYLOR, TIGUE, DALEY, BATTISTO, HALUSKA,
GIGLIOTTI, DeLUCA, LEVDANSKY, EGOLF, McILHATTAN, MASLAND,
PETRARCA, CURRY, LAUGHLIN, BELFANTI, HUTCHINSON, CIVERA,
WOGAN, YOUNGBLOOD, SEYFERT, HERMAN, THOMAS, LUCYK, SCRIMENTI
AND WASHINGTON, FEBRUARY 7, 2000

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 7, 2000

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," reducing the rate of the capital stock and
11 franchise tax.

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

14 Section 1. Section 602(h) of the act of March 4, 1971
15 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended May
16 12, 1999 (P.L.26, No.4), is amended to read:

17 Section 602. Imposition of Tax.--* * *

18 (h) The rate of tax for purposes of the capital stock and
19 franchise tax for taxable years beginning within the dates set

1 forth shall be as follows:

| 2 | Taxable Year | Regular Rate | Surtax | Total Rate |
|----|------------------------------|--------------------|------------|--------------------|
| 3 | January 1, 1971, to | | | |
| 4 | December 31, 1986 | 10 mills | 0 | 10 mills |
| 5 | January 1, 1987, to | | | |
| 6 | December 31, 1987 | 9 mills | 0 | 9 mills |
| 7 | January 1, 1988, to | | | |
| 8 | December 31, 1990 | 9.5 mills | 0 | 9.5 mills |
| 9 | January 1, 1991, to | | | |
| 10 | December 31, 1991 | 11 mills | 2 mills | 13 mills |
| 11 | January 1, 1992, to | | | |
| 12 | December 31, 1997 | 11 mills | 1.75 mills | 12.75 mills |
| 13 | January 1, 1998, | | | |
| 14 | to December 31, 1998 | 11 mills | .99 mills | 11.99 mills |
| 15 | [January 1, 1999, and each | | | |
| 16 | year thereafter | 10.99 mills | 0 | 10.99 mills] |
| 17 | <u>January 1, 1999, to</u> | | | |
| 18 | <u>June 30, 2000,</u> | <u>10.99 mills</u> | <u>0</u> | <u>10.99 mills</u> |
| 19 | <u>July 1, 2000 and each</u> | | | |
| 20 | <u>year thereafter</u> | <u>9.5 mills</u> | <u>0</u> | <u>9.5 mills</u> |

21 * * *

22 Section 2. This act shall take effect immediately.