

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 247

Session of  
1977

INTRODUCED BY MESSRS. BRUNNER, GARZIA, VROON, CIANCIULLI,  
PANCOAST, ZEARFOSS, MOEHLMANN, POTT, MEBUS, COHEN AND MRS.  
SCANLON, FEBRUARY 9, 1977

SENATOR SMITH, FINANCE, IN SENATE, RE-REPORTED AS AMENDED,  
NOVEMBER 2, 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," ~~further providing for filing of documents and~~ <—  
11 ~~payment of taxes with respect to taxes imposed for education,~~  
12 ~~personal income taxes and corporate net income taxes.~~  
13 INCREASING THE RATE OF THE PERSONAL INCOME TAX; IMPOSING CERTAIN <—  
14 CONDITIONS IN THE SAVING CLAUSE OF THE PERSONAL INCOME TAX AS TO  
15 THE VALIDITY OF STATE LAWS AUTHORIZING CITIES OF THE FIRST CLASS  
16 BY ORDINANCE TO IMPOSE A TAX ON THE INCOME OF NONRESIDENTS OF  
17 SUCH CITY; INCREASING THE RATE OF TAX IMPOSED ON CERTAIN  
18 CORPORATIONS; CHANGING THE PERIOD FOR SETTLEMENT OF CORPORATE  
19 INCOME TAXES AND CHANGING THE PREPAYMENT OF TAX PROVISIONS FOR  
20 SUCH TAXES; PRESCRIBING THE EFFECTIVE DATE FOR VARIOUS  
21 PROVISIONS AND REPEALING A CERTAIN ACT.

22 The General Assembly of the Commonwealth of Pennsylvania  
23 hereby enacts as follows:

24 ~~Section 1. Sections 220, 336 and 403.1 act of March 4, 1971~~ <—  
25 ~~(P.L.6, No.2), known as the "Tax Reform Code of 1971," amended~~  
26 ~~June 27, 1974 (P.L.376, No.126), are amended to read:~~

1       ~~Section 220. Timely Mailing Treated as Timely Filing and~~  
2 ~~Payment. Notwithstanding the provisions of any State tax law to~~  
3 ~~the contrary, whenever a report, petition or payment of all or~~  
4 ~~any portion of a State tax is required by law to be received by~~  
5 ~~the Pennsylvania Department of Revenue or Board of Finance and~~  
6 ~~Revenue or other agency of the Commonwealth on or before a day~~  
7 ~~certain, the taxpayer shall be deemed to have complied with such~~  
8 ~~law if the letter transmitting the report, petition or payment~~  
9 ~~of such tax which has been received by the department or Board~~  
10 ~~of Finance and Revenue is postmarked by the United States Postal~~  
11 ~~Service on or prior to the final day on which the report,~~  
12 ~~petition or payment is to be received. Notwithstanding the~~  
13 ~~provisions of any State tax law to the contrary, whenever the~~  
14 ~~due date for timely filing shall fall on a Saturday, Sunday, or~~  
15 ~~a legal holiday, the timely filing date shall be continued to~~  
16 ~~midnight of the first full business day following.~~

17       ~~For the purposes of this article, presentation of a receipt~~  
18 ~~indicating that the report, petition or payment was mailed by~~  
19 ~~registered or certified mail on or before the due date shall be~~  
20 ~~evidence of timely filing and payment.~~

21       ~~Section 336. Timely Mailing Treated as Timely Filing and~~  
22 ~~Payment. Notwithstanding the provisions of any State tax law to~~  
23 ~~the contrary, whenever a report, petition or payment of all or~~  
24 ~~any portion of a State tax is required by law to be received by~~  
25 ~~the Pennsylvania Department of Revenue, Board of Finance and~~  
26 ~~Revenue or other agency of the Commonwealth on or before a day~~  
27 ~~certain, the taxpayer shall be deemed to have complied with such~~  
28 ~~law if the letter transmitting the report, petition or payment~~  
29 ~~of such tax which has been received by the department or Board~~  
30 ~~of Finance and Revenue is postmarked by the United States Postal~~

~~Service on or prior to the final day on which the report,  
petition or payment is to be received. Notwithstanding the  
provisions of any State tax law to the contrary, whenever the  
due date for timely filing shall fall on a Saturday, Sunday, or  
a legal holiday, the timely filing date shall be continued to  
midnight of the first full business day following.~~

~~For the purposes of this article, presentation of a receipt  
indicating that the report, petition or payment was mailed by  
registered or certified mail on or before the due date shall be  
evidence of timely filing and payment.~~

~~Section 403.1. Timely Mailing Treated as Timely Filing and  
Payment. Notwithstanding the provisions of any State tax law to  
the contrary, whenever a report, petition or payment of all or  
any portion of a State tax is required by law to be received by  
the Pennsylvania Department of Revenue, Board of Finance and  
Revenue or other agency of the Commonwealth on or before a day  
certain, the corporation shall be deemed to have complied with  
such law if the letter transmitting the report, petition or  
payment of such tax which has been received by the department or  
Board of Finance and Revenue is postmarked by the United States  
Postal Service on or prior to the final day on which the report,  
petition or payment is to be received. Notwithstanding the  
provisions of any State tax law to the contrary, whenever the  
due date for timely filing shall fall on a Saturday, Sunday, or  
a legal holiday, the timely filing date shall be continued to  
midnight of the first full business day following.~~

~~For the purposes of this article, presentation of a receipt  
indicating that the report, petition or payment was mailed by  
registered or certified mail on or before the due date shall be  
evidence of timely filing and payment.~~

1     ~~Section 2. This act shall take effect immediately.~~

2     SECTION 1.   SECTION 302 OF THE ACT OF MARCH 4, 1971 (P.L.6,     <—  
3   NO.2), KNOWN AS THE "TAX REFORM CODE OF 1971," ADDED AUGUST 31,  
4   1971 (P.L.362, NO.93) AND AMENDED MARCH 13, 1974 (P.L.179,  
5   NO.32), IS AMENDED TO READ:

6     SECTION 302.   IMPOSITION OF TAX.--(A) THERE IS HEREBY IMPOSED  
7   AN ANNUAL TAX TO BE PAID BY RESIDENT INDIVIDUALS, ESTATES OR  
8   TRUSTS AT THE RATE OF [TWO PER CENT] TWO AND THREE-TENTHS PER  
9   CENT ON THE PRIVILEGE OF RECEIVING EACH OF THE CLASSES OF INCOME  
10  HEREINAFTER ENUMERATED IN SECTION 303.

11    (B)   THERE IS HEREBY IMPOSED AN ANNUAL TAX TO BE PAID BY  
12  NONRESIDENT INDIVIDUALS, ESTATES OR TRUSTS AT THE RATE OF [TWO  
13  PER CENT] TWO AND THREE-TENTHS PER CENT ON THE PRIVILEGE OF  
14  RECEIVING EACH OF THE CLASSES OF INCOME ENUMERATED IN SECTION  
15  303 FROM SOURCES WITHIN THIS COMMONWEALTH.

16    SECTION 2.   SECTION 351 OF THE ACT, ADDED AUGUST 31, 1971  
17  (P.L.362, NO.93), IS AMENDED TO READ:

18    SECTION 351.   INTEREST.--IF ANY AMOUNT OF TAX IMPOSED BY THIS  
19  ARTICLE IS NOT PAID ON OR BEFORE THE LAST DATE PRESCRIBED FOR  
20  PAYMENT, INTEREST ON SUCH AMOUNT AT THE RATE OF [ONE-HALF]  
21  THREE-FOURTHS OF ONE PER CENT PER MONTH, FOR EACH MONTH OR  
22  FRACTION THEREOF FROM SUCH DATE, SHALL BE PAID FOR THE PERIOD  
23  FROM SUCH LAST DATE TO THE DATE PAID. THE LAST DATE PRESCRIBED  
24  FOR PAYMENT SHALL BE DETERMINED WITHOUT REGARD TO ANY EXTENSION  
25  OF TIME FOR FILING THE RETURN. THIS SECTION SHALL NOT APPLY TO  
26  ANY FAILURE TO PAY ESTIMATED TAX.

27    SECTION 3.   SECTION 402 OF THE ACT, AMENDED MARCH 13, 1974  
28  (P.L.179, NO.32), IS AMENDED TO READ:

29    SECTION 402.   IMPOSITION OF TAX.--EVERY CORPORATION SHALL BE  
30  SUBJECT TO, AND SHALL PAY FOR THE PRIVILEGE OF DOING BUSINESS IN

1 THIS COMMONWEALTH, OR HAVING CAPITAL OR PROPERTY EMPLOYED OR  
2 USED IN THIS COMMONWEALTH, BY OR IN THE NAME OF ITSELF, OR ANY  
3 PERSON, PARTNERSHIP, ASSOCIATION, LIMITED PARTNERSHIP, JOINT-  
4 STOCK ASSOCIATION, OR CORPORATION, A STATE EXCISE TAX AT THE  
5 RATE OF TWELVE PER CENT PER ANNUM UPON EACH DOLLAR OF TAXABLE  
6 INCOME OF SUCH CORPORATION RECEIVED BY, AND ACCRUING TO, SUCH  
7 CORPORATION DURING THE CALENDAR YEAR 1971 AND THE FIRST SIX  
8 MONTHS OF 1972 AND AT THE RATE OF ELEVEN PER CENT PER ANNUM UPON  
9 EACH DOLLAR OF TAXABLE INCOME OF SUCH CORPORATION RECEIVED BY,  
10 AND ACCRUING TO, SUCH CORPORATION DURING THE SECOND SIX MONTHS  
11 OF CALENDAR YEAR 1972 THROUGH THE CALENDAR YEAR 1973 AND AT THE  
12 RATE OF NINE AND ONE-HALF PER CENT PER ANNUM UPON EACH DOLLAR OF  
13 TAXABLE INCOME OF SUCH CORPORATION RECEIVED BY, AND ACCRUING TO,  
14 SUCH CORPORATION DURING THE CALENDAR [YEAR] YEARS 1974, 1975 AND  
15 1976 AND AT THE RATE OF ELEVEN PER CENT PER ANNUM UPON EACH  
16 DOLLAR OF TAXABLE INCOME OF SUCH CORPORATION RECEIVED BY, AND  
17 ACCRUING TO, SUCH CORPORATION DURING THE CALENDAR YEAR 1977 AND  
18 EACH CALENDAR YEAR THEREAFTER, EXCEPT WHERE A CORPORATION  
19 REPORTS TO THE FEDERAL GOVERNMENT ON THE BASIS OF A FISCAL YEAR,  
20 AND HAS CERTIFIED SUCH FACT TO THE DEPARTMENT AS REQUIRED BY  
21 SECTION 403 OF THIS ARTICLE, IN WHICH CASE, SUCH TAX, AT THE  
22 RATE OF TWELVE PER CENT, SHALL BE LEVIED, COLLECTED, AND PAID  
23 UPON ALL TAXABLE INCOME RECEIVED BY, AND ACCRUING TO, SUCH  
24 CORPORATION DURING THE FIRST SIX MONTHS OF THE FISCAL YEAR  
25 COMMENCING IN THE CALENDAR YEAR 1972 AND AT THE RATE OF ELEVEN  
26 PER CENT, SHALL BE LEVIED, COLLECTED, AND PAID UPON ALL TAXABLE  
27 INCOME RECEIVED BY, AND ACCRUING TO, SUCH CORPORATION DURING THE  
28 SECOND SIX MONTHS OF THE FISCAL YEAR COMMENCING IN THE CALENDAR  
29 YEAR 1972 AND DURING THE FISCAL YEAR COMMENCING IN THE CALENDAR  
30 YEAR 1973 AND AT THE RATE OF NINE AND ONE-HALF PER CENT, SHALL

1 BE LEVIED, COLLECTED, AND PAID UPON ALL TAXABLE INCOME RECEIVED  
2 BY, AND ACCRUING TO, SUCH CORPORATION DURING THE FISCAL YEAR  
3 COMMENCING IN THE CALENDAR [YEAR] YEARS 1974, 1975 AND 1976 AND  
4 AT THE RATE OF ELEVEN PER CENT, SHALL BE LEVIED, COLLECTED, AND  
5 PAID UPON ALL TAXABLE INCOME RECEIVED BY, AND ACCRUING TO, SUCH  
6 CORPORATION DURING THE FISCAL YEAR COMMENCING IN THE CALENDAR  
7 YEAR 1977 AND DURING EACH FISCAL YEAR THEREAFTER. NO PENALTY  
8 PRESCRIBED BY SUBSECTION (E) OF SECTION 1202.1 SHALL BE ASSESSED  
9 AGAINST A CORPORATION FOR THE ADDITIONAL TAX WHICH MAY BE DUE AS  
10 A RESULT OF THE INCREASE IN TAX RATE FROM NINE AND ONE-HALF PER  
11 CENT TO ELEVEN PER CENT IMPOSED RETROACTIVELY BY THIS SECTION  
12 FOR THE CALENDAR YEAR 1977 OR FOR THE FISCAL YEAR COMMENCING IN  
13 1977.

14 SECTION 4. SUBSECTION (A) OF SECTION 407 OF THE ACT IS  
15 AMENDED TO READ:

16 SECTION 407. SETTLEMENT AND RESETTLEMENT.--(A) ALL TAXES  
17 DUE UNDER THIS ARTICLE SHALL BE SETTLED BY THE DEPARTMENT, AND  
18 SUCH SETTLEMENT SHALL BE SUBJECT TO AUDIT AND APPROVAL BY THE  
19 DEPARTMENT OF THE AUDITOR GENERAL, AND SHALL, SO FAR AS  
20 POSSIBLE, BE MADE SO THAT NOTICE THEREOF MAY REACH THE TAXPAYER  
21 [BEFORE THE END OF TWO YEARS] WITHIN EIGHTEEN MONTHS AFTER THE  
22 TAX REPORT WAS REQUIRED TO BE MADE.

23 \* \* \*

24 SECTION 5. SECTION 502 OF THE ACT, AMENDED MARCH 13, 1974  
25 (P.L.179, NO.32), IS AMENDED TO READ:

26 SECTION 502. IMPOSITION OF TAX.--EVERY CORPORATION CARRYING  
27 ON ACTIVITIES IN THIS COMMONWEALTH OR OWNING PROPERTY IN THIS  
28 COMMONWEALTH BY OR IN THE NAME OF ITSELF OR ANY PERSON,  
29 PARTNERSHIP, JOINT-STOCK ASSOCIATION OR CORPORATION SHALL BE  
30 SUBJECT TO AND SHALL PAY A STATE PROPERTY TAX ON TAXABLE INCOME

1 DERIVED FROM SOURCES WITHIN THIS COMMONWEALTH AT THE RATE OF  
2 TWELVE PER CENT PER ANNUM UPON EACH DOLLAR OF SUCH TAXABLE  
3 INCOME RECEIVED BY AND ACCRUING TO SUCH CORPORATION DURING THE  
4 CALENDAR YEAR 1971 AND THE FIRST SIX MONTHS OF 1972 AND AT THE  
5 RATE OF ELEVEN PER CENT PER ANNUM UPON EACH DOLLAR OF TAXABLE  
6 INCOME OF SUCH CORPORATION RECEIVED BY, AND ACCRUING TO, SUCH  
7 CORPORATION DURING THE SECOND SIX MONTHS OF CALENDAR YEAR 1972  
8 THROUGH THE CALENDAR YEAR 1973 AND AT THE RATE OF NINE AND ONE-  
9 HALF PER CENT PER ANNUM UPON EACH DOLLAR OF TAXABLE INCOME OF  
10 SUCH CORPORATION RECEIVED BY, AND ACCRUING TO, SUCH CORPORATION  
11 DURING THE CALENDAR [YEAR] YEARS 1974, 1975 AND 1976 AND AT THE  
12 RATE OF ELEVEN PER CENT PER ANNUM UPON EACH DOLLAR OF TAXABLE  
13 INCOME OF SUCH CORPORATION RECEIVED BY, AND ACCRUING TO, SUCH  
14 CORPORATION DURING THE CALENDAR YEAR 1977 AND EACH CALENDAR YEAR  
15 THEREAFTER, EXCEPT WHERE A CORPORATION REPORTS TO THE FEDERAL  
16 GOVERNMENT ON THE BASIS OF A FISCAL YEAR AND HAS CERTIFIED SUCH  
17 FACT TO THE DEPARTMENT AS REQUIRED BY SECTION 403 OF ARTICLE IV,  
18 IN WHICH CASE SUCH TAX AT THE RATE OF TWELVE PER CENT SHALL BE  
19 LEVIED, COLLECTED AND PAID UPON EACH DOLLAR OF SUCH TAXABLE  
20 INCOME RECEIVED BY AND ACCRUING TO SUCH CORPORATION DURING THE  
21 FIRST SIX MONTHS OF THE FISCAL YEAR COMMENCING IN THE CALENDAR  
22 YEAR 1972 AND AT THE RATE OF ELEVEN PER CENT SHALL BE LEVIED,  
23 COLLECTED, AND PAID UPON ALL TAXABLE INCOME RECEIVED BY, AND  
24 ACCRUING TO, SUCH CORPORATION DURING THE SECOND SIX MONTHS OF  
25 THE FISCAL YEAR COMMENCING IN THE CALENDAR YEAR 1972 AND DURING  
26 THE FISCAL YEAR COMMENCING IN THE CALENDAR YEAR 1973 AND AT THE  
27 RATE OF NINE AND ONE-HALF PER CENT, SHALL BE LEVIED, COLLECTED,  
28 AND PAID UPON ALL TAXABLE INCOME RECEIVED BY, AND ACCRUING TO,  
29 SUCH CORPORATION DURING THE FISCAL YEAR COMMENCING IN THE  
30 CALENDAR [YEAR] YEARS 1974, 1975 AND 1976 AND AT THE RATE OF

1 ELEVEN PER CENT, SHALL BE LEVIED, COLLECTED, AND PAID UPON ALL  
2 TAXABLE INCOME RECEIVED BY, AND ACCRUING TO, SUCH CORPORATION  
3 DURING THE FISCAL YEAR COMMENCING IN THE CALENDAR YEAR 1977 AND  
4 EACH FISCAL YEAR THEREAFTER: PROVIDED, HOWEVER, THAT SUCH  
5 TAXABLE INCOME SHALL NOT INCLUDE INCOME FOR ANY PERIOD FOR WHICH  
6 THE CORPORATION IS SUBJECT TO TAXATION UNDER ARTICLE IV: AND,  
7 PROVIDED FURTHER, THAT NO PENALTY PRESCRIBED BY SUBSECTION (E)  
8 OF SECTION 1202.1 SHALL BE ASSESSED AGAINST A CORPORATION FOR  
9 THE ADDITIONAL TAX WHICH MAY BE DUE AS A RESULT OF THE INCREASE  
10 IN TAX RATE FROM NINE AND ONE-HALF PER CENT TO ELEVEN PER CENT  
11 IMPOSED RETROACTIVELY BY THIS SECTION FOR THE CALENDAR YEAR 1977  
12 OR FOR THE FISCAL YEAR COMMENCING IN 1977.

13 SECTION 6. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

14 SECTION 1202.1. PREPAYMENT OF TAX.--(A) NOTWITHSTANDING THE  
15 PROVISIONS OF THIS ACT, OR ANY OTHER STATE TAX LAW TO THE  
16 CONTRARY, WHICH REQUIRED TAXPAYERS TO MAKE PAYMENT OF TENTATIVE  
17 TAX, INCLUDING BUT NOT LIMITED TO THE CAPITAL STOCK AND  
18 FRANCHISE TAX, CORPORATE NET INCOME AND CORPORATION INCOME TAX,  
19 GROSS RECEIPTS TAX ON PUBLIC SERVICE COMPANIES, TRANSPORTATION  
20 BY MOTOR VEHICLES AND TRACKLESS TROLLEYS, OTHER THAN MOTOR  
21 VEHICLES FOR HIRE, INSURANCE PREMIUMS TAX, MUTUAL THRIFT  
22 INSTITUTIONS TAX, NET EARNINGS TAX, OR OTHER SIMILAR TAX LAW  
23 REQUIRING PAYMENT OF TENTATIVE TAX, BUT EXCLUDING THE PREPAYMENT  
24 BY BANKS AND SAVINGS INSTITUTIONS UNDER ARTICLE VII AND TITLE  
25 INSURANCE AND TRUST COMPANIES UNDER ARTICLE VIII OF THIS ACT,  
26 SUCH TAXPAYERS, COMMENCING WITH THE CALENDAR YEAR 1970 AND  
27 FISCAL YEARS BEGINNING DURING THE CALENDAR YEAR 1970 AND EACH  
28 TAXABLE YEAR THEREAFTER, ON OR BEFORE THE FIFTEENTH DAY OF APRIL  
29 FOR CALENDAR YEAR TAXPAYERS, AND ON OR BEFORE THE FIFTEENTH DAY  
30 OF THE FOURTH MONTH AFTER THE CLOSE OF ITS PREVIOUS FISCAL YEAR

1 FOR FISCAL YEAR TAXPAYERS, SHALL REPORT ANNUALLY AND PAY ON  
2 ACCOUNT OF THE TAX DUE FOR THE CURRENT YEAR, AN AMOUNT TO BE  
3 COMPUTED BY APPLYING THE CURRENT TAX RATE TO NINETY PER CENT OF  
4 SUCH TAX BASE FROM THE IMMEDIATE PRIOR YEAR AS MAY BE APPLICABLE  
5 WITH RESPECT TO THE TAX BEING REPORTED.

6 (B) FOR THE TAXABLE YEARS COMMENCING WITH CALENDAR YEAR 1979  
7 AND FOR EACH TAXABLE YEAR THEREAFTER, THE TENTATIVE TAX DUE FOR  
8 THE CURRENT YEAR SHALL BE COMPUTED BY APPLYING THE CURRENT TAX  
9 RATE TO NINETY PER CENT OF SUCH TAX BASE FROM THE YEAR PRECEDING  
10 THE IMMEDIATE PRIOR YEAR AS MAY BE APPLICABLE WITH RESPECT TO  
11 THE TAX BEING REPORTED; EXCEPT THAT WITH RESPECT TO THE  
12 AFORESAID GROSS RECEIPTS TAX ON PUBLIC SERVICE COMPANIES,  
13 TRANSPORTATION BY MOTOR VEHICLES AND TRACKLESS TROLLEYS, OTHER  
14 THAN MOTOR VEHICLES FOR HIRE, AND THE AFORESAID INSURANCE  
15 PREMIUMS TAX, SUCH AMOUNT SHALL CONTINUE TO BE COMPUTED BY  
16 APPLYING THE CURRENT TAX RATE TO NINETY PER CENT OF THE TAX BASE  
17 FROM THE IMMEDIATE PRIOR YEAR AS MAY BE APPLICABLE WITH RESPECT  
18 TO THE TAX BEING REPORTED.

19 THE TAX IMPOSED ON SHARES OF BANK AND SAVINGS INSTITUTIONS  
20 AND TITLE INSURANCE AND TRUST COMPANIES SHALL BE PAID IN THE  
21 MANNER AND WITHIN THE TIME PRESCRIBED BY ARTICLE VII OR ARTICLE  
22 VIII, AS THE CASE MAY BE, BUT SUBJECT TO THE ADDITIONS AND  
23 INTEREST PROVIDED IN SUBSECTION (E) OF THIS SECTION.

24 (C) PAYMENT OF TAXES IMPOSED BY ARTICLES IV, V, IX AND XI OF  
25 THIS ACT AND BY THE ACT OF JUNE 22, 1964 (P.L.16, NO.2), KNOWN  
26 AS "THE MUTUAL THRIFT INSTITUTIONS TAX ACT," MAY AT THE  
27 TAXPAYER'S ELECTION BE AN AMOUNT ESTIMATED BY THE TAXPAYER WHICH  
28 ESTIMATED AMOUNT SHALL NOT BE LESS THAN NINETY PER CENT OF THE  
29 TAX AS IS FINALLY REPORTED IN THE ANNUAL TAX REPORT FOR THE  
30 CURRENT CALENDAR OR FISCAL YEAR.

1        (D) A CORPORATION WITH RESPECT TO THE CORPORATE NET INCOME  
 2        TAX IMPOSED BY ARTICLE IV AND THE CORPORATION INCOME TAX IMPOSED  
 3        BY ARTICLE V OF THIS ACT MAY, AT ITS ELECTION, REPORT AND PAY IN  
 4        INSTALLMENTS ON ACCOUNT OF THE TAX DUE FOR THE CURRENT TAXABLE  
 5        YEAR AN AMOUNT COMPUTED EITHER BY APPLYING THE CURRENT TAX RATE  
 6        TO NINETY PER CENT OF THE TAX BASE AS DETERMINED IN SUBSECTION  
 7        (A) OR (B) OF THIS SECTION, OR AS COMPUTED ON THE BASIS  
 8        ESTIMATED BY THE TAXPAYER TO BE DUE FOR THE CURRENT YEAR WHICH  
 9        ESTIMATED AMOUNT SHALL NOT BE LESS THAN NINETY PER CENT OF THE  
 10       TAX AS IS FINALLY REPORTED IN THE ANNUAL TAX REPORT FOR THE  
 11       CURRENT YEAR AS PROVIDED IN SUBSECTION (C) OF THIS SECTION. THE  
 12       INSTALLMENTS SHALL BE PAID IN ACCORDANCE WITH THE FOLLOWING  
 13       SCHEDULES:

	<u>FIRST</u>	<u>SECOND</u>	<u>THIRD</u>	<u>FOURTH</u>
<u>YEAR IN</u>	<u>DUE ON THE 15TH DAY OF THE FOLLOWING MONTHS</u>			
<u>WHICH TAX</u>	<u>AFTER CLOSE OF THE PREVIOUS TAX YEAR:</u>			
<u>YEAR BEINGS</u>	<u>4TH MONTH</u>	<u>6TH MONTH</u>	<u>9TH MONTH</u>	<u>12TH MONTH</u>
<u>1978</u>	<u>95%</u>	<u>0%</u>	<u>5%</u>	<u>0%</u>
<u>1979</u>	<u>95%</u>	<u>0%</u>	<u>5%</u>	<u>0%</u>
<u>1980</u>	<u>80%</u>	<u>0%</u>	<u>10%</u>	<u>10%</u>
<u>1981</u>	<u>40%</u>	<u>30%</u>	<u>20%</u>	<u>10%</u>
<u>1982</u>	<u>30%</u>	<u>30%</u>	<u>25%</u>	<u>15%</u>
<u>1983 AND</u>				
<u>THEREAFTER</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>

25       ANY TAXPAYER WHICH HAS ELECTED TO COMPUTE ITS TENTATIVE TAX  
 26       LIABILITY ON THE AFORESAID ESTIMATED BASIS AND WHICH HAS ELECTED  
 27       TO REPORT AND PAY SAID ESTIMATED TAX IN INSTALLMENTS, MAY WHEN  
 28       REPORTING AND PAYING ITS THIRD OR FOURTH INSTALLMENT, BASE SUCH  
 29       INSTALLMENT ON AN AMENDED TENTATIVE TAX REPORT REFLECTING THE  
 30       TAXPAYER'S NEW ESTIMATE OF ITS TAX LIABILITY FOR THE TAX YEAR:

1 PROVIDED, THAT THE NEW ESTIMATE REFLECTS A LOWER TAX LIABILITY  
2 THAN WAS PREVIOUSLY REPORTED IN ITS ORIGINAL OR, IF APPLICABLE,  
3 AMENDED TENTATIVE TAX REPORT. IF AN AMENDED TENTATIVE TAX REPORT  
4 IS FILED, EACH REMAINING INSTALLMENT PAYMENT DUE, IF ANY, SHALL  
5 BE SUCH AS TO BRING THE TOTAL INSTALLMENT PAYMENTS MADE ON  
6 ACCOUNT OF THE TAX DUE FOR THE CURRENT TAXABLE YEAR UP TO AN  
7 AMOUNT DETERMINED BY MULTIPLYING THE TENTATIVE TAX DUE FOR THE  
8 YEAR AS REPORTED IN THE AMENDED REPORT BY THE SUM OF THE  
9 PERCENTAGES SET FORTH IN THE ABOVE SCHEDULE FOR THE APPLICABLE  
10 ELAPSED INSTALLMENTS.

11 THE REMAINING PORTION OF THE TAX DUE, IF ANY, SHALL BE PAID  
12 UPON THE DATE THE TAXPAYER'S ANNUAL REPORT IS REQUIRED TO BE  
13 FILED UNDER THE APPLICABLE TAX STATUTE, DETERMINED WITHOUT  
14 REFERENCE TO ANY EXTENSION OF TIME FOR FILING SUCH REPORT.

15 (E) FOR TAXABLE YEARS BEGINNING PRIOR TO JANUARY 1, 1979,  
16 SHOULD IT SUBSEQUENTLY BE DETERMINED THAT THE AMOUNT OF THE  
17 ANNUAL OR ANY INSTALLMENT PAYMENT OF TENTATIVE TAX DUE WAS  
18 UNDERSTATED BY MORE THAN FIVE PER CENT, THERE SHALL BE ADDED TO  
19 THE TAX DETERMINED TO BE DUE AN ADDITIONAL TEN PER CENT OF THE  
20 UNDERSTATEMENT AND SAID PERCENTAGE ADDITION TO THE  
21 UNDERSTATEMENT SHALL BE DEEMED AN ADDITIONAL TAX AND SHALL BEAR  
22 INTEREST FROM THE DATE THE TENTATIVE TAX WAS DUE.

23 FOR TAXABLE YEARS BEGINNING JANUARY 1, 1979 AND THEREAFTER,  
24 SHOULD IT SUBSEQUENTLY BE DETERMINED THAT THE AMOUNT OF THE  
25 ANNUAL OR ANY INSTALLMENT PAYMENT OF TENTATIVE TAX DUE WAS  
26 UNDERPAID, THERE SHALL BE IMPOSED AN ADDITIONAL TAX OR TEN PER  
27 CENT OF THE UNDERPAYMENT AND SAID TAX SHALL BEAR INTEREST FROM  
28 THE DATE THE ANNUAL OR ANY INSTALLMENT PAYMENT OF TENTATIVE TAX  
29 WAS DUE. FAILURE TO REMIT THE ANNUAL OR ANY INSTALLMENT OF  
30 TENTATIVE TAX PAYMENTS ON OR BEFORE THE DUE DATES PRESCRIBED IN

1 THIS ACT SHALL RESULT IN THE ASSESSMENT OF INTEREST AND  
2 ADDITIONS, IF ANY, IN THE SAME MANNER AS PRESCRIBED BY LAW.

3 SECTION 7. THE ACT OF MARCH 10, 1970 (P.L.180, NO.69),  
4 ENTITLED "AN ACT RELATING TO STATE TAXATION; CHANGING THE MANNER  
5 IN WHICH TENTATIVE AND ANNUAL TAXES ARE TO BE PAID; PROVIDING A  
6 PENALTY IN CERTAIN CASES; AND MAKING A REPEALER," IS REPEALED ON  
7 THE DATE THE AMENDATORY PROVISIONS OF SECTION 1202.1 OF THIS  
8 ARTICLE BECOME APPLICABLE.

9 SECTION 8. THIS ACT SHALL TAKE EFFECT IMMEDIATELY, BUT  
10 CERTAIN ARTICLES, SECTIONS OR PARTS OR PROVISIONS SHALL BE  
11 APPLICABLE AS FOLLOWS:

12 (1) THE RATE OF TAX IMPOSED BY SECTION 302 SHALL APPLY ON  
13 JANUARY 1, 1978 AND THEREAFTER.

14 (2) THE RATE OF TAX IMPOSED BY SECTIONS 402 AND 502 SHALL BE  
15 APPLICABLE TO THE CALENDAR YEAR 1977 OR FISCAL YEAR BEGINNING  
16 1977.

17 (3) SECTION 407 OF THE ACT RELATING TO SETTLEMENT SHALL  
18 FIRST APPLY TO REPORTS FILED FOR THE TAXABLE YEAR 1978.

19 (4) SECTION 1202.1 SHALL TAKE EFFECT IMMEDIATELY, AND SHALL  
20 APPLY TO TENTATIVE TAX REPORTS AND PAYMENTS FOR THE CALENDAR AND  
21 FISCAL YEARS BEGINNING IN 1978 AND THEREAFTER.