

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 22

Session of  
1983

INTRODUCED BY RYAN, ARTY, J. L. WRIGHT, WASS, SAURMAN, CIVERA,  
WOGAN, PERZEL, LASHINGER, MICOZZIE, B. SMITH, FREIND, GRUPPO,  
PUNT, BUNT, R. C. WRIGHT, GREENWOOD, NOYE, FISCHER, VROON,  
FARGO, KLINGAMAN, DAVIES, PETERSON, MACKOWSKI, COSLETT,  
GEIST, E. Z. TAYLOR, MILLER, MERRY, TELEK, CLYMER, McVERRY  
AND FLICK, JANUARY 25, 1983

SENATOR HOWARD, FINANCE, IN SENATE, RE-REPORTED AS AMENDED,  
JUNE 30, 1983

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 ACCELERATION OF THE DUE DATE FOR <—  
11 REMISSION OF TAX; FURTHER PROVIDING FOR A CHANGE IN AND  
12 WITHHOLDING OF THE ANNUAL PERSONAL INCOME TAX DUE; FURTHER  
13 PROVIDING FOR AN ADDITIONAL TENTATIVE REPORT AND PREPAYMENT  
14 OF THE PUBLIC UTILITY REALTY TAX BY EVERY PUBLIC UTILITY  
15 LIABLE TO PAY TAX; increasing the tax on the sale or  
16 possession of cigarettes; and making an appropriation.

17 The General Assembly of the Commonwealth of Pennsylvania  
18 hereby enacts as follows:

19 ~~Section 1. Section 1206 of the act of March 4, 1971 (P.L.6,~~ <—  
20 ~~No.2), known as the Tax Reform Code of 1971, added December 21,~~  
21 ~~1981 (P.L.482, No.141), is amended to read:~~

1       ~~Section 1206. Incidence and Rate of Tax. An excise tax is~~  
2 ~~hereby imposed and assessed upon the sale or possession of~~  
3 ~~cigarettes within this Commonwealth at the rate of [nine tenths]~~  
4 ~~nine hundred twenty five thousandths of a cent per cigarette.~~

5       SECTION 1.   SECTION 217 OF THE ACT OF MARCH 4, 1971 (P.L.6,       <—  
6 NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, IS AMENDED TO READ:

7       SECTION 217.   TIME FOR FILING RETURNS.--(A)   MONTHLY,  
8 BIMONTHLY AND QUARTERLY RETURNS:

9       (1)   FOR THE YEAR IN WHICH THIS ARTICLE BECOMES EFFECTIVE AND  
10 IN EACH YEAR THEREAFTER A RETURN SHALL BE FILED QUARTERLY BY  
11 EVERY LICENSEE ON OR BEFORE THE [LAST] TWENTIETH DAY OF APRIL,  
12 JULY, OCTOBER AND JANUARY FOR THE THREE MONTHS ENDING THE LAST  
13 DAY OF MARCH, JUNE, SEPTEMBER AND DECEMBER, EXCEPT AS  
14 HEREINAFTER PROVIDED.

15       (2)   FOR THE YEAR IN WHICH THIS ARTICLE BECOMES EFFECTIVE,  
16 AND IN EACH YEAR THEREAFTER, A RETURN SHALL BE FILED MONTHLY  
17 WITH RESPECT TO EACH MONTH BY EVERY LICENSEE WHOSE TOTAL TAX  
18 REPORTED, OR IN THE EVENT NO REPORT IS FILED, THE TOTAL TAX  
19 WHICH SHOULD HAVE BEEN REPORTED, FOR THE THIRD CALENDAR QUARTER  
20 OF THE PRECEDING YEAR EQUALS OR EXCEEDS SIX HUNDRED DOLLARS  
21 (\$600). SUCH RETURNS SHALL BE FILED ON OR BEFORE THE [FIFTEENTH  
22 DAY OF THE SECOND MONTH SUCCEEDING THE MONTH] TWENTIETH DAY OF  
23 THE NEXT SUCCEEDING MONTH WITH RESPECT TO WHICH THE RETURN IS  
24 MADE, EXCEPT THAT THE RETURN DUE FOR THE MONTH OF APRIL, OF EACH  
25 YEAR, SHALL BE FILED ON OR BEFORE THE TWENTIETH DAY OF MAY NEXT  
26 FOLLOWING AND THE RETURN DUE FOR THE MONTH OF MAY OF EACH YEAR  
27 SHALL BE FILED ON OR BEFORE THE TWENTIETH DAY OF JUNE NEXT  
28 FOLLOWING. ANY LICENSEE REQUIRED TO FILE MONTHLY RETURNS  
29 HEREUNDER SHALL BE RELIEVED FROM FILING QUARTERLY RETURNS.

30       (3)   FOR THE YEAR IN WHICH THIS ARTICLE BECOMES EFFECTIVE,

1 AND FOR EACH YEAR THEREAFTER, EVERY LICENSEE REQUIRED TO FILE A  
2 QUARTERLY RETURN FOR THE SECOND CALENDAR QUARTER SHALL FILE A  
3 SINGLE RETURN FOR THE MONTHS OF APRIL AND MAY ON OR BEFORE THE  
4 FIFTEENTH DAY OF JUNE NEXT FOLLOWING. THE FILING OF SUCH RETURN  
5 SHALL NOT RELIEVE THE LICENSEE OF THE DUTY TO FILE A RETURN ON  
6 OR BEFORE THE [LAST] TWENTIETH DAY OF JULY NEXT FOLLOWING AND TO  
7 REMIT THEREWITH TAX FOR THE MONTH OF JUNE.

8 (B) ANNUAL RETURNS. FOR THE CALENDAR YEAR 1971, AND FOR EACH  
9 YEAR THEREAFTER, NO ANNUAL RETURN SHALL BE FILED, EXCEPT AS MAY  
10 BE REQUIRED BY RULES AND REGULATIONS OF THE DEPARTMENT  
11 PROMULGATED AND PUBLISHED AT LEAST SIXTY DAYS PRIOR TO THE END  
12 OF THE YEAR WITH RESPECT TO WHICH THE RETURNS ARE MADE. WHERE  
13 SUCH ANNUAL RETURNS ARE REQUIRED LICENSEES SHALL NOT BE REQUIRED  
14 TO FILE SUCH RETURNS PRIOR TO THE [SIXTY-FIRST] TWENTIETH DAY OF  
15 THE YEAR SUCCEEDING THE YEAR WITH RESPECT TO WHICH THE RETURNS  
16 ARE MADE.

17 (C) OTHER RETURNS. ANY PERSON, OTHER THAN A LICENSEE, LIABLE  
18 TO PAY TO THE DEPARTMENT ANY TAX UNDER THIS ARTICLE, SHALL FILE  
19 A RETURN ON OR BEFORE THE [LAST] TWENTIETH DAY OF THE MONTH  
20 SUCCEEDING THE MONTH IN WHICH SUCH PERSON BECOMES LIABLE FOR THE  
21 TAX.

22 (D) SMALL TAXPAYERS. THE DEPARTMENT, BY REGULATION, MAY  
23 WAIVE THE REQUIREMENT FOR THE FILING OF QUARTERLY RETURN IN THE  
24 CASE OF ANY LICENSEE WHOSE INDIVIDUAL TAX COLLECTIONS DO NOT  
25 EXCEED SEVENTY-FIVE DOLLARS (\$75) PER CALENDAR QUARTER AND MAY  
26 PROVIDE FOR REPORTING ON A LESS FREQUENT BASIS IN SUCH CASES.

27 SECTION 2. SECTION 302(A) ~~AND (B)~~ OF THE ACT, AMENDED <—  
28 DECEMBER 9, 1982 (P.L.1047, NO.246) ~~ARE~~, IS AMENDED TO READ: <—

29 SECTION 302. IMPOSITION OF TAX.--(A) THERE IS HEREBY  
30 IMPOSED AN ANNUAL TAX FOR THE TAXABLE YEAR COMMENCING ON OR

1 AFTER JANUARY 1, 1983, TO BE PAID BY RESIDENT INDIVIDUALS,  
2 ESTATES OR TRUSTS AT THE RATE OF [TWO AND TWO-TENTHS PER CENT]  
3 TWO AND FOUR-TENTHS PER CENT AND FOR TAXABLE YEARS COMMENCING ON  
4 OR AFTER JANUARY 1, 1984, TWO AND FIVE-TENTHS PER CENT, ON THE  
5 PRIVILEGE OF RECEIVING EACH OF THE CLASSES OF INCOME HEREINAFTER  
6 ENUMERATED IN SECTION 303.

7 (B) THERE IS HEREBY IMPOSED AN ANNUAL TAX FOR THE TAXABLE  
8 YEAR COMMENCING ON OR AFTER JANUARY 1, 1983, TO BE PAID BY  
9 NONRESIDENT INDIVIDUALS, ESTATES OR TRUSTS AT THE RATE OF [TWO  
10 AND TWO-TENTHS PER CENT] TWO AND FOUR-TENTHS PER CENT AND FOR  
11 TAXABLE YEARS COMMENCING ON OR AFTER JANUARY 1, 1984, TWO AND  
12 FIVE-TENTHS PER CENT, ON THE PRIVILEGE OF RECEIVING EACH OF THE  
13 CLASSES OF INCOME ENUMERATED IN SECTION 303 FROM SOURCES WITHIN  
14 THIS COMMONWEALTH.

15 SECTION 3. SECTION 1102-A(A) OF THE ACT, AMENDED JULY 4,  
16 1979 (P.L.60, NO.27), IS AMENDED TO READ:

17 SECTION 1102-A. IMPOSITION OF TAX; REPORT; INTEREST AND  
18 PENALTIES.--(A) ON OR BEFORE THE FIRST DAY OF JUNE OF 1970 AND  
19 OF EACH YEAR THEREAFTER UNTIL AND INCLUDING JUNE 1, 1983, EVERY  
20 PUBLIC UTILITY SHALL PAY TO THE STATE TREASURER, THROUGH THE  
21 DEPARTMENT OF REVENUE, A TAX AT THE RATE OF THIRTY MILLS UPON  
22 EACH DOLLAR OF THE STATE TAXABLE VALUE OF ITS UTILITY REALTY AT  
23 THE END OF THE PRECEDING CALENDAR YEAR.

24 (1) ON OR BEFORE APRIL 15, 1984, FOR TAX YEAR 1983, EVERY  
25 PUBLIC UTILITY SHALL REPORT TAX LIABILITY AT THE RATE OF THIRTY  
26 MILLS UPON EACH DOLLAR OF THE STATE TAXABLE VALUE OF ITS UTILITY  
27 REALTY AT THE END OF CALENDAR YEAR 1983 AND SHALL PAY SUCH TAX  
28 ON OR BEFORE JUNE 1, 1984.

29 (2) ON OR BEFORE APRIL 15, 1985, AND EVERY YEAR THEREAFTER,  
30 EVERY PUBLIC UTILITY SHALL PAY A TAX AT THE RATE OF THIRTY MILLS

1 UPON EACH DOLLAR OF THE STATE TAXABLE VALUE OF ITS UTILITY  
2 REALTY AT THE END OF THE PRECEDING CALENDAR YEAR, EXCLUSIVE OF  
3 ANY TENTATIVE TAX PAYMENTS MADE PURSUANT TO THIS ACT.

4 (3) ON OR BEFORE APRIL 15, 1984, AND EACH YEAR THEREAFTER,  
5 EVERY PUBLIC UTILITY SHALL REPORT TENTATIVE TAX LIABILITY FOR  
6 THE CURRENT TAX YEAR EQUAL TO NINETY PER CENT OF THE TAX  
7 LIABILITY OF THE IMMEDIATE PRIOR YEAR, AND PAY TWENTY-FIVE PER  
8 CENT OF SUCH AMOUNT ON APRIL 15, JUNE 15, SEPTEMBER 15 AND  
9 DECEMBER 15 OF EACH YEAR.

10 \* \* \*

11 SECTION 4. SECTION 1206 OF THE ACT, ADDED DECEMBER 21, 1981  
12 (P.L.482, NO.141), IS AMENDED TO READ:

13 SECTION 1206. INCIDENCE AND RATE OF TAX.--(A) AN EXCISE TAX  
14 IS HEREBY IMPOSED AND ASSESSED UPON THE SALE OR POSSESSION OF  
15 CIGARETTES WITHIN THIS COMMONWEALTH AT THE RATE OF [NINE-TENTHS  
16 OF A CENT] ONE AND FIFTEEN ONE-HUNDREDTH CENTS PER CIGARETTE.

17 (B) A DEALER HOLDING CIGARETTES ON THE EFFECTIVE DATE OF  
18 THIS ACT SHALL BE LIABLE FOR THE INCREASE IN TAX PROVIDED BY  
19 THIS ACT WHICH SHALL BE PAYABLE TO THE DEPARTMENT OF REVENUE  
20 WITHIN 30 DAYS OF THE EFFECTIVE DATE.

21 SECTION 5. SECTION 3003(A) AND (B) OF THE ACT, RENUMBERED  
22 DECEMBER 21, 1981 (P.L.482, NO.141), ARE AMENDED TO READ:

23 SECTION 3003. PREPAYMENT OF TAX.--(A) NOTWITHSTANDING THE  
24 PROVISIONS OF THIS ACT, OR ANY OTHER STATE TAX LAW TO THE  
25 CONTRARY, WHICH REQUIRED TAXPAYERS TO MAKE PAYMENT OF TENTATIVE  
26 TAX, INCLUDING BUT NOT LIMITED TO THE CAPITAL STOCK AND  
27 FRANCHISE TAX, CORPORATE NET INCOME AND CORPORATION INCOME TAX,  
28 GROSS RECEIPTS TAX ON PUBLIC SERVICE COMPANIES, TRANSPORTATION  
29 BY MOTOR VEHICLES AND TRACKLESS TROLLEYS, OTHER THAN MOTOR  
30 VEHICLES FOR HIRE, INSURANCE PREMIUMS TAX, MUTUAL THRIFT

1 INSTITUTIONS TAX, NET EARNINGS TAX, OR OTHER SIMILAR TAX LAW  
2 REQUIRING PAYMENT OF TENTATIVE TAX, BUT EXCLUDING THE PREPAYMENT  
3 BY BANKS AND SAVINGS INSTITUTIONS UNDER ARTICLE VII AND TITLE  
4 INSURANCE AND TRUST COMPANIES UNDER ARTICLE VIII, AND PUBLIC  
5 UTILITIES UNDER ARTICLE XI-A OF THIS ACT, SUCH TAXPAYERS,  
6 COMMENCING WITH THE CALENDAR YEAR 1970 AND FISCAL YEARS  
7 BEGINNING DURING THE CALENDAR YEAR 1970 AND EACH TAXABLE YEAR  
8 THEREAFTER, ON OR BEFORE THE FIFTEENTH DAY OF APRIL FOR CALENDAR  
9 YEAR TAXPAYERS, AND ON OR BEFORE THE FIFTEENTH DAY OF THE FOURTH  
10 MONTH AFTER THE CLOSE OF ITS PREVIOUS FISCAL YEAR FOR FISCAL  
11 YEAR TAXPAYERS, SHALL REPORT ANNUALLY AND PAY ON ACCOUNT OF THE  
12 TAX DUE FOR THE CURRENT YEAR, AN AMOUNT TO BE COMPUTED BY  
13 APPLYING THE CURRENT TAX RATE TO NINETY PER CENT OF SUCH TAX  
14 BASE FROM THE IMMEDIATE PRIOR YEAR AS MAY BE APPLICABLE WITH  
15 RESPECT TO THE TAX BEING REPORTED.

16 (B) FOR THE TAXABLE YEARS COMMENCING WITH CALENDAR YEAR 1979  
17 AND FOR EACH TAXABLE YEAR THEREAFTER, THE TENTATIVE TAX DUE FOR  
18 THE CURRENT YEAR SHALL BE COMPUTED BY APPLYING THE CURRENT TAX  
19 RATE TO NINETY PER CENT OF SUCH TAX BASE FROM THE YEAR PRECEDING  
20 THE IMMEDIATE PRIOR YEAR AS MAY BE APPLICABLE WITH RESPECT TO  
21 THE TAX BEING REPORTED; EXCEPT THAT WITH RESPECT TO THE  
22 AFORESAID GROSS RECEIPTS TAX ON PUBLIC SERVICE COMPANIES,  
23 TRANSPORTATION BY MOTOR VEHICLES AND TRACKLESS TROLLEYS, OTHER  
24 THAN MOTOR VEHICLES FOR HIRE, AND THE AFORESAID INSURANCE  
25 PREMIUMS TAX, SUCH AMOUNT SHALL CONTINUE TO BE COMPUTED BY  
26 APPLYING THE CURRENT TAX RATE TO NINETY PER CENT OF THE TAX BASE  
27 FROM THE IMMEDIATE PRIOR YEAR AS MAY BE APPLICABLE WITH RESPECT  
28 TO THE TAX BEING REPORTED.

29 THE TAX IMPOSED ON SHARES OF BANK AND SAVINGS INSTITUTIONS  
30 AND TITLE INSURANCE AND TRUST COMPANIES AND THE TAX IMPOSED ON

1 PUBLIC UTILITY REALTY SHALL BE PAID IN THE MANNER AND WITHIN THE  
2 TIME PRESCRIBED BY ARTICLE VII [OR], ARTICLE VIII OR ARTICLE XI-  
3 A, AS THE CASE MAY BE, BUT SUBJECT TO THE ADDITIONS AND INTEREST  
4 PROVIDED IN SUBSECTION (E) OF THIS SECTION.

5 \* \* \*

6 SECTION 6. THE DEPARTMENT OF REVENUE SHALL PROVIDE NOTICE TO  
7 EMPLOYERS, EITHER IN THE PENNSYLVANIA BULLETIN PURSUANT TO 1 PA.  
8 CODE § 3.27 OR BY OTHER MEANS, OF THE WITHHOLDING RATE  
9 EQUIVALENT TO THE RATE OF TAX IN EFFECT PRIOR TO THE EFFECTIVE  
10 DATE OF THIS ACT PLUS TWICE THE INCREASE IN THE TAX RATE  
11 PROVIDED BY THIS ACT TO BE EFFECTIVE FOR THE PERIOD FROM THE  
12 FIRST PAY PERIOD OF EMPLOYERS ENDING ON OR AFTER 15 DAYS  
13 FOLLOWING THE EFFECTIVE DATE OF THIS ACT THROUGH DECEMBER 31,  
14 1983, AT WHICH TIME THE WITHHOLDING RATE SHALL REVERT TO THE  
15 LEVEL OF TAXATION PRESCRIBED IN SECTION 302 OF THE ACT.

16 Section ~~2~~ 7. It is the intent of the General Assembly that A <—  
17 PORTION OF THE revenues obtained from the increase in the  
18 cigarette tax be used to fund the act of December 18, 1980  
19 (P.L.1241, No.224), known as the Pennsylvania Cancer Control,  
20 Prevention and Research Act.

21 Section ~~3~~ 8. There is hereby appropriated to the Department <—  
22 of Health for the 1983-1984 fiscal year, an amount of \$4,000,000  
23 for cancer control, prevention and research.

24 ~~Section 4. (a) Section 1 of this act shall take effect <—~~  
25 ~~December 1, 1983.~~

26 ~~(b) The remainder of this act shall take effect July 1,~~  
27 ~~1983.~~

28 SECTION 9. (A) SECTION 2 OF THIS ACT SHALL TAKE EFFECT <—  
29 IMMEDIATELY AND SHALL BE RETROACTIVE TO JANUARY 1, 1983.

30 (B) SECTIONS 1 AND 4 SHALL TAKE EFFECT IN 15 DAYS.

1       (C)   THE REMAINDER OF THIS ACT SHALL TAKE EFFECT IMMEDIATELY.