

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1038 Session of
1987

INTRODUCED BY HERMAN, PETRONE, MOWERY, FLICK, BUNT, KENNEY,
ROBBINS, HALUSKA, BIRMELIN, BUSH, CIVERA, CARLSON, DORR,
FISCHER, GEIST, GODSHALL, JOHNSON, MILLER, MICOZZIE, PITTS,
SIRIANNI, SEMMEL, STAIRS, SAURMAN, HERSHEY, JADLOWIEC,
MOEHLMANN, HECKLER, NOYE, HAGARTY, J. L. WRIGHT, FARMER,
MERRY, E. Z. TAYLOR, FOX, BURD, DISTLER AND HESS, APRIL 8,
1987

REFERRED TO COMMITTEE ON FINANCE, APRIL 8, 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," reducing the amount of corporate net income tax.

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

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

16 Section 402. Imposition of Tax.--Every corporation shall be
17 subject to, and shall pay for the privilege of (i) doing
18 business in this Commonwealth; or (ii) carrying on activities in
19 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 a rate of eight
25 per cent per annum upon each dollar of taxable income of such
26 corporation received by and accruing to such corporation during
27 the calendar year 1988 and each calendar year thereafter, except
28 where a corporation reports to the Federal Government on the
29 basis of a fiscal year, and has certified such fact to the
30 department as required by section 403 of this article, in which

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

1 from nine and one-half per cent to ten and one-half per cent
2 imposed retroactively by this section for the calendar year 1977
3 or for the fiscal year commencing in 1977.

4 Section 2. This act shall apply to the calendar year or
5 fiscal year beginning on or after January 1, 1988.

6 Section 3. This act shall take effect immediately.