

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 233 Session of 2017

INTRODUCED BY JAMES, CAUSER, DUNBAR, GABLER, LONGIETTI, MILLARD, NEILSON, PEIFER AND ZIMMERMAN, JANUARY 31, 2017

REFERRED TO COMMITTEE ON FINANCE, JANUARY 31, 2017

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," in personal income tax, providing for an  
11 exception for the payment of a withholding tax by estates and  
12 trusts and for determination of beneficiary's address and  
13 residency.

14 The General Assembly of the Commonwealth of Pennsylvania  
15 hereby enacts as follows:

16 Section 1. Section 324 of the act of March 4, 1971 (P.L.6,  
17 No.2), known as the Tax Reform Code of 1971, is amended by  
18 adding a subsection to read:

19 Section 324. General Rule.--\* \* \*

20 (c) An estate or trust shall not be required to pay a  
21 withholding tax for any taxable year on the amount of income  
22 from sources within this Commonwealth allocable to each  
23 nonresident beneficiary entitled to receive one thousand dollars

1 (\$1,000) or less of such income for the taxable year. The  
2 department may increase the amount of the income allocable to  
3 each beneficiary not subject to the withholding tax to a greater  
4 amount as determined by the department in the interests of  
5 promoting the efficiency of tax reporting and collection  
6 requirements or avoiding the imposition of costs on estates and  
7 trusts not reasonably justified by the revenue generated by the  
8 requirements. A determination to increase the amount of income  
9 that may be allowable to each beneficiary not subject to the  
10 withholding tax shall not constitute an administrative  
11 regulation, and notice of the increase may be provided by  
12 publication in the Pennsylvania Bulletin and by notice provided  
13 in forms, instructions and statements of policy issued by the  
14 department.

15 Section 2. Section 335(g) of the act is amended by adding a  
16 paragraph to read:

17 Section 335. Requirements Concerning Returns, Notices,  
18 Records and Statements.--\* \* \*

19 (g) \* \* \*

20 (3) An estate or trust may determine the current address of  
21 a beneficiary and determine that a beneficiary is not a resident  
22 of this Commonwealth based upon notice provided to the estate or  
23 trust by or on behalf of the beneficiary, and may continue to  
24 rely on the notice until provided subsequent notice that the  
25 beneficiary has a new address or has become a resident of this  
26 Commonwealth.

27 Section 3. The addition of sections 324(c) and 335(g) (3) of  
28 the act shall apply retroactively to January 1, 2015.

29 Section 4. This act shall take effect immediately.