

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2491 Session of 2004

INTRODUCED BY BROWNE, ADOLPH, ARMSTRONG, BALDWIN, BARRAR, BOYD, CAPPELLI, CORRIGAN, CRAHALLA, CREIGHTON, DALLY, DeWEESE, GINGRICH, GOOD, HALUSKA, HARHART, HARRIS, HERSHEY, HESS, KIRKLAND, LAUGHLIN, LEACH, LEWIS, MARKOSEK, McCALL, McILHATTAN, METCALFE, NAILOR, PICKETT, ROHRER, ROSS, SAYLOR, STERN, T. STEVENSON, THOMAS, TIGUE, TURZAI, WATERS, WEBER, YOUNGBLOOD, ZUG, DALEY, GEIST, DENLINGER, FORCIER, HENNESSEY, PETRARCA AND E. Z. TAYLOR, MARCH 31, 2004

REFERRED TO COMMITTEE ON FINANCE, MARCH 31, 2004

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 manner of making election
11 for purposes of the personal income tax imposed on
12 Pennsylvania S corporations.

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

15 Section 1. Section 307.1 of the act of March 4, 1971 (P.L.6,
16 No.2), known as the Tax Reform Code of 1971, is amended by
17 adding a subsection to read:

18 Section 307.1. Manner of Making Election.--* * *

19 (c) If an election is made for any taxable year after the
20 last date prescribed by subsection (b), the election may be

1 treated by the department as timely made if:

2 (1) the corporation's election for Federal tax purposes is
3 treated as timely made under section 1362(b)(5) of the Internal
4 Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §
5 1362(b)(5)); and

6 (2) no taxpayers whose tax liability or tax return would be
7 affected by the election have reported inconsistently with the
8 election on any affected return for the first taxable year in
9 which the election was intended.

10 Section 2. This act shall apply to taxable years beginning
11 after December 31, 2002.

12 Section 3. This act shall take effect immediately.