
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2532

Session of
1980

INTRODUCED BY B. D. CLARK, LETTERMAN, PETRARCA, KOLTER, McCALL
AND GATSKI, MAY 8, 1980

REFERRED TO COMMITTEE ON APPROPRIATIONS, MAY 8, 1980

AN ACT

1 Providing for the deposit of Federal income tax withholding
2 moneys in a special fund created in the State Treasury.

3 The General Assembly of the Commonwealth of Pennsylvania
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the "Income Tax
7 Withholding Escrow Fund Act."

8 Section 2. Definitions.

9 The following words and phrases when used in this act shall
10 have, unless the context clearly indicates otherwise, the
11 meanings given to them in this section:

12 "Employer." Any person, firm or corporation giving
13 employment within the Commonwealth and subject to the
14 withholding provisions of the Internal Revenue Code. The term
15 shall include all branches of State Government and all political
16 subdivisions and other units of local government.

17 Section 3. Payment of withholding into escrow account.

1 Notwithstanding any provision of Federal law to the contrary,
2 an employer shall forward the amount of all moneys of Federal
3 income tax withheld from employees to the State Treasury on a
4 quarterly basis. A copy of the quarterly withholding tax report
5 sent to the Internal Revenue Service shall also be sent to the
6 treasury.

7 Section 4. Transfer of funds to Federal Government.

8 The State Treasurer shall, except as provided in section 7,
9 transfer withholding moneys to the Federal Government on a
10 quarterly basis.

11 Section 5. Establishment of fund.

12 There is hereby established a special fund in the State
13 Treasury, separate and apart from the public moneys of the
14 Commonwealth, to be known as the Income Tax Withholding Escrow
15 Fund.

16 Section 6. Income Tax Withholding Escrow Board.

17 There is hereby established the Income Tax Withholding Escrow
18 Board which shall consist of the Auditor General, State
19 Treasurer and Lieutenant Governor, and not their designees.

20 Section 7. Authority of the board.

21 The board is authorized to hold and divert any moneys in the
22 Escrow Fund to the General Fund in any case where the Federal
23 Government withholds Federal funds due and owing to the
24 Commonwealth.

25 Section 8. Penalties and interest.

26 The Commonwealth shall indemnify any employer or other person
27 for the amount of any interest or penalty assessed by the
28 Federal Government due to the operation of this act.

29 Section 9. Effective date.

30 This act shall take effect July 1, 1980.