

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 435

Session of  
1985

INTRODUCED BY LETTERMAN, MARKOSEK, OLASZ, PETRONE, LIVENGOD,  
SALOOM, DOMBROWSKI, TRELLO AND PUNT, FEBRUARY 26, 1985

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 26, 1985

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; provided 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 rate for corporate net income taxes.

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 June 29,  
15 1984 (P.L.445, No.94), 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  
20 used in this Commonwealth; or (iv) owning property in this  
21 Commonwealth, by or in the name of itself, or any person,

1 partnership, association, limited partnership, joint-stock  
2 association, or corporation, a State excise tax at the rate of  
3 twelve per cent per annum upon each dollar of taxable income of  
4 such corporation received by, and accruing to, such corporation  
5 during the calendar year 1971 and the first six months of 1972  
6 and at the rate of eleven per cent per annum upon each dollar of  
7 taxable income of such corporation received by, and accruing to,  
8 such corporation during the second six months of calendar year  
9 1972 through the calendar year 1973 and at the rate of nine and  
10 one-half per cent per annum upon each dollar of taxable income  
11 of such corporation received by, and accruing to, such  
12 corporation during the calendar years 1974, 1975 and 1976 and at  
13 the rate of ten and one-half per cent per annum upon each dollar  
14 of taxable income of such corporation received by, and accruing  
15 to, such corporation during the calendar year 1977 through the  
16 calendar year 1984 and at the rate of nine and one-half per cent  
17 per annum upon each dollar of taxable income of such corporation  
18 received by and accruing to such corporation during the calendar  
19 year 1985 and at the rate of seven and one-half per cent per  
20 annum upon each dollar of taxable income of such corporation  
21 received by and accruing to such corporation during the calendar  
22 year 1986 and each calendar year thereafter, except where a  
23 corporation reports to the Federal Government on the basis of a  
24 fiscal year, and has certified such fact to the department as  
25 required by section 403 of this article, in which case, such  
26 tax, at the rate of twelve per cent, shall be levied, collected,  
27 and paid upon all taxable income received by, and accruing to,  
28 such corporation during the first six months of the fiscal year  
29 commencing in the calendar year 1972 and at the rate of eleven  
30 per cent, shall be levied, collected, and paid upon all taxable

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

25 Section 2. This act shall take effect in 60 days.