

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 301 Session of
1989

INTRODUCED BY COWELL, TRELLO, PISTELLA, VAN HORNE, ROBBINS,
NOYE, CAWLEY, RYBAK, JOHNSON, KOSINSKI, GIGLIOTTI,
CAPPABIANCA, LETTERMAN, MAIALE, DALEY, MARKOSEK, MERRY,
HALUSKA, McVERRY, GEIST, HERSHEY, FLICK, FARGO, E. Z. TAYLOR,
OLIVER, MICOZZIE, LANGTRY, VEON, CIVERA, OLASZ, ITKIN,
SERAFINI, RAYMOND AND LASHINGER, FEBRUARY 7, 1989

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 7, 1989

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 refunds and prepayment of
11 tax.

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

14 Section 1. Section 247 of the act of March 4, 1971 (P.L.6,
15 No.2), known as the Tax Reform Code of 1971, is amended to read:

16 Section 247. Prepayment of Tax.--[Whenever a] If any sale
17 subject to tax pursuant to this article is wholly or partly on
18 credit or if the vendor is forbidden by law or governmental
19 regulation to charge and collect the purchase price in advance
20 of or at the time of delivery, the vendor shall prepay the tax

1 as required by section 222 of this article, but in [such] either
2 case if [the purchaser shall fail to pay to the vendor the total
3 amount of the purchase price and the tax, and such amount is
4 written off as uncollectible by the vendor, the vendor shall not
5 be liable for such tax and shall be entitled to a credit or
6 refund of such tax paid] any portion of the purchase price of a
7 sale subject to tax pursuant to this article is written off as
8 uncollectible, the vendor shall be entitled, within three years
9 of the date the amount was written off, to a credit which may be
10 claimed on the vendor's regular returns or a refund which may be
11 filed pursuant to section 252 of this article (except that the
12 provisions of section 252 referring to section 253 relating to
13 the time for filing the petition shall not apply), in an amount
14 equal to the tax previously paid and remitted to the
15 Commonwealth on that portion of the purchase price written off.
16 If the purchase price is thereafter collected, in whole or in
17 part, the tax attributable to the amount collected shall be
18 [first applied to the payment of the entire tax portion of the
19 bill, and shall be] remitted to the department by the vendor
20 with the first return filed after such collection. [For any tax
21 prepaid prior to the effective date of this article, credit may
22 be claimed on any returns filed for the periods prior to the
23 effective date of this article. Tax prepaid after the effective
24 date of this article shall be subject to refund upon petition to
25 the department under the provisions of section 252 of this
26 article, filed within one hundred five days of the close of the
27 fiscal year in which such accounts are written off.]

28 Section 2. This act shall take effect July 1, 1989.