

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 200 Session of 2003

INTRODUCED BY MUNDY, BELARDI, BISHOP, CAWLEY, CLYMER, CORRIGAN, COY, CRUZ, DAILEY, DALLY, DeWEESE, FAIRCHILD, FREEMAN, GORDNER, HARHAI, HERSHEY, HORSEY, LAUGHLIN, LEH, MAHER, McCALL, MELIO, NAILOR, READSHAW, ROSS, RUBLEY, RUFFING, SAINATO, SCAVELLO, SCRIMENTI, SEMMEL, B. SMITH, STABACK, SURRA, TANGRETTI, TIGUE, WALKO, WANSACZ, WATSON, YOUNGBLOOD, PISTELLA, ROBERTS, SHANER, MANDERINO, CURRY, CIVERA, WASHINGTON, PALLONE AND THOMAS, FEBRUARY 11, 2003

AMENDMENTS TO SENATE AMENDMENTS, HOUSE OF REPRESENTATIVES, OCTOBER 19, 2003

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 exclusions from sales and~~
11 ~~use tax and for imposition and expiration of capital stock~~
12 ~~and franchise tax.~~

13 AMENDING THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), ENTITLED "AN <—
14 ACT RELATING TO TAX REFORM AND STATE TAXATION BY CODIFYING
15 AND ENUMERATING CERTAIN SUBJECTS OF TAXATION AND IMPOSING
16 TAXES THEREON; PROVIDING PROCEDURES FOR THE PAYMENT,
17 COLLECTION, ADMINISTRATION AND ENFORCEMENT THEREOF; PROVIDING
18 FOR TAX CREDITS IN CERTAIN CASES; CONFERRING POWERS AND
19 IMPOSING DUTIES UPON THE DEPARTMENT OF REVENUE, CERTAIN
20 EMPLOYERS, FIDUCIARIES, INDIVIDUALS, PERSONS, CORPORATIONS
21 AND OTHER ENTITIES; PRESCRIBING CRIMES, OFFENSES AND
22 PENALTIES," FURTHER PROVIDING, IN SALES AND USE TAX, FOR
23 DEFINITIONS AND FOR LICENSES; PROVIDING, IN SALES AND USE
24 TAX, FOR SUPPLEMENTAL PUBLIC TRANSPORTATION ASSISTANCE FUND
25 TRANSFERS; FURTHER PROVIDING, IN PERSONAL INCOME TAX, FOR
26 DEFINITIONS, FOR IMPOSITION, FOR RETURNS AND LIABILITY AND
27 FOR RETURNS AND RECORDS; FURTHER PROVIDING, IN CAPITAL STOCK

1 FRANCHISE TAX, FOR DEFINITIONS, FOR IMPOSITION AND FOR
2 EXPIRATION; FURTHER PROVIDING, IN UTILITIES GROSS RECEIPTS
3 TAX, FOR IMPOSITION; FURTHER PROVIDING, IN PUBLIC UTILITY
4 REALTY TAX, FOR SURCHARGES; FURTHER PROVIDING, IN RESEARCH
5 AND DEVELOPMENT TAX CREDIT, FOR CARRYOVER, FOR LIMITATIONS
6 AND FOR REPORTS; FURTHER PROVIDING, IN INHERITANCE TAX, FOR
7 DEFINITIONS; AND FURTHER PROVIDING FOR ESTIMATED TAX, FOR
8 UNDERPAYMENT OF ESTIMATED TAX, FOR TAX CLEARANCE FOR
9 LICENSES, FOR AUTHORITY TO ATTACH WAGES AND FOR KEYSTONE
10 OPPORTUNITY ZONES; AND MAKING REPEALS.

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

13 ~~Section 1. Section 204 of the act of March 4, 1971 (P.L.6,~~ <—
14 ~~No.2), known as the Tax Reform Code of 1971, is amended by~~
15 ~~adding a paragraph to read:~~

16 ~~Section 204. Exclusions from Tax. The tax imposed by~~
17 ~~section 202 shall not be imposed upon any of the following:~~

18 * * *

19 ~~(64) The sale at retail to or use by a construction~~
20 ~~contractor, employed by a public school district pursuant to a~~
21 ~~construction contract, of any materials and building supplies,~~
22 ~~which, during construction or reconstruction, are made part of~~
23 ~~any public school building utilized for instructional classroom~~
24 ~~education within this Commonwealth.~~

25 ~~Section 2. Sections 602(h) and 607 of the act, amended or~~
26 ~~added June 29, 2002 (P.L.559, No.89), are amended to read:~~

27 ~~Section 602. Imposition of Tax. * * *~~

28 ~~(h) The rate of tax for purposes of the capital stock and~~
29 ~~franchise tax for taxable years beginning within the dates set~~
30 ~~forth shall be as follows:~~

Taxable Year	Regular Rate	Surtax	Total Rate
January 1, 1971, to			
December 31, 1986	10 mills	0	10 mills
January 1, 1987, to			

1	December 31, 1987	9 mills	0	9 mills
2	January 1, 1988, to			
3	December 31, 1990	9.5 mills	0	9.5 mills
4	January 1, 1991, to			
5	December 31, 1991	11 mills	2 mills	13 mills
6	January 1, 1992, to			
7	December 31, 1997	11 mills	1.75 mills	12.75 mills
8	January 1, 1998, to			
9	December 31, 1998	11 mills	-.99 mills	11.99 mills
10	January 1, 1999, to			
11	December 31, 1999	10.99 mills	0	10.99 mills
12	January 1, 2000, to			
13	December 31, 2000	8.99 mills	0	8.99 mills
14	January 1, 2001, to			
15	December 31, 2001	7.49 mills	0	7.49 mills
16	January 1, 2002, to			
17	December 31, 2002	7.24 mills	0	7.24 mills
18	January 1, 2003, to			
19	December 31, 2003	6.99 mills	0	6.99 mills
20	January 1, 2004, to			
21	December 31, 2004	5.99 mills	0	5.99 mills
22	January 1, 2005, to			
23	December 31, 2005	4.99 mills	0	4.99 mills
24	January 1, 2006, to			
25	December 31, 2006	3.99 mills	0	3.99 mills
26	January 1, 2007, to			
27	December 31, 2007	2.99 mills	0	2.99 mills
28	January 1, 2008, to			
29	December 31, 2008	1.99 mills	0	1.99 mills
30	January 1, 2009, to			

1	December 31, 2009	—.99 mills	0	—.99 mills}
2	January 1, 2002, to			
3	December 31, 2003	7.24 mills	0	7.24 mills
4	January 1, 2004, to			
5	December 31, 2004	6.99 mills	0	6.99 mills
6	January 1, 2005, to			
7	December 31, 2005	5.99 mills	0	5.99 mills
8	January 1, 2006, to			
9	December 31, 2006	4.99 mills	0	4.99 mills
10	January 1, 2007, to			
11	December 31, 2007	3.99 mills	0	3.99 mills
12	January 1, 2008, to			
13	December 31, 2008	2.99 mills	0	2.99 mills
14	January 1, 2009, to			
15	December 31, 2009	1.99 mills	0	1.99 mills
16	January 1, 2010, to			
17	December 31, 2010	—.99 mills	0	—.99 mills

18 * * *

19 Section 607. ~~Expiration. This article shall expire for~~
20 ~~taxable years beginning after December 31, [2009] 2010.~~

21 Section 3. ~~Section 1711 B of the act, added May 7, 1997~~
22 ~~(P.L.85, No.7), is amended to read:~~

23 Section 1711 B. ~~Report to General Assembly. The secretary~~
24 ~~shall submit an annual report to the General Assembly indicating~~
25 ~~the effectiveness of the credit provided by this article no~~
26 ~~later than March 15 following the year in which the credits were~~
27 ~~approved. The report shall include the [number of] names of all~~
28 ~~taxpayers utilizing the credit as of the date of the report and~~
29 ~~the amount of credits approved and utilized. The report may also~~
30 ~~include any recommendations for changes in the calculation or~~

1 ~~administration of the credit. In order to utilize a credit under~~
2 ~~this article, a taxpayer must sign a statement waiving~~
3 ~~confidentiality for purposes of this section.~~

4 ~~Section 4. The amendment of section 602(h) of the act shall~~
5 ~~apply to taxable years beginning after December 31, 2002.~~

6 ~~Section 5. This act shall take effect as follows:~~

7 ~~(1) The addition of section 204(64) of the act shall~~
8 ~~take effect January 1, 2005.~~

9 ~~(2) The remainder of this act shall take effect~~
10 ~~immediately.~~

11 SECTION 1. SECTION 201(D) OF THE ACT OF MARCH 4, 1971 ←
12 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, IS AMENDED
13 BY ADDING A CLAUSE TO READ:

14 SECTION 201. DEFINITIONS.--THE FOLLOWING WORDS, TERMS AND
15 PHRASES WHEN USED IN THIS ARTICLE II SHALL HAVE THE MEANING
16 ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT
17 CLEARLY INDICATES A DIFFERENT MEANING:

18 * * *

19 (D) "PROCESSING." THE PERFORMANCE OF THE FOLLOWING
20 ACTIVITIES WHEN ENGAGED IN AS A BUSINESS ENTERPRISE:

21 * * *

22 (17) THE PRODUCING OF MOBILE TELECOMMUNICATIONS SERVICES.

23 * * *

24 SECTION 2. SECTION 208 OF THE ACT OF MARCH 4, 1971 (P.L.6,
25 NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, AMENDED AUGUST 4,
26 1991 (P.L.97, NO.22), JUNE 16, 1994 (P.L.279, NO.48), JUNE 30,
27 1995 (P.L.139, NO.21), AND JUNE 29, 2002 (P.L.559, NO.89), IS
28 AMENDED TO READ:

29 SECTION 208. LICENSES.--(A) EVERY PERSON MAINTAINING A
30 PLACE OF BUSINESS IN THIS COMMONWEALTH, SELLING OR LEASING

1 SERVICES OR TANGIBLE PERSONAL PROPERTY, THE SALE OR USE OF WHICH
2 IS SUBJECT TO TAX AND WHO HAS NOT HITHERTO OBTAINED A LICENSE
3 FROM THE DEPARTMENT, SHALL, PRIOR TO THE BEGINNING OF BUSINESS
4 THEREAFTER, MAKE APPLICATION TO THE DEPARTMENT, ON A FORM
5 PRESCRIBED BY THE DEPARTMENT, FOR A LICENSE. IF SUCH PERSON
6 MAINTAINS MORE THAN ONE PLACE OF BUSINESS IN THIS COMMONWEALTH,
7 THE LICENSE SHALL BE ISSUED FOR THE PRINCIPAL PLACE OF BUSINESS
8 IN THIS COMMONWEALTH.

9 (B) THE DEPARTMENT SHALL, AFTER THE RECEIPT OF AN
10 APPLICATION, ISSUE THE LICENSE APPLIED FOR UNDER SUBSECTION (A)
11 OF THIS SECTION, PROVIDED SAID APPLICANT SHALL HAVE FILED ALL
12 REQUIRED STATE TAX REPORTS AND PAID ANY STATE TAXES NOT SUBJECT
13 TO A TIMELY PERFECTED ADMINISTRATIVE OR JUDICIAL APPEAL OR
14 SUBJECT TO A DULY AUTHORIZED DEFERRED PAYMENT PLAN. SUCH LICENSE
15 SHALL BE NONASSIGNABLE. ALL LICENSEES AS OF THE EFFECTIVE DATE
16 OF THIS SUBSECTION SHALL BE REQUIRED TO FILE FOR RENEWAL OF SAID
17 LICENSE ON OR BEFORE JANUARY 31, 1992. LICENSES ISSUED THROUGH
18 APRIL 30, 1992, SHALL BE BASED ON A STAGGERED RENEWAL SYSTEM
19 ESTABLISHED BY THE DEPARTMENT. THEREAFTER, ANY LICENSE ISSUED
20 SHALL BE VALID FOR A PERIOD OF FIVE YEARS.

21 (B.1) IF AN APPLICANT FOR A LICENSE OR ANY PERSON HOLDING A
22 LICENSE HAS NOT FILED ALL REQUIRED STATE TAX REPORTS AND PAID
23 ANY STATE TAXES NOT SUBJECT TO A TIMELY PERFECTED ADMINISTRATIVE
24 OR JUDICIAL APPEAL OR SUBJECT TO A DULY AUTHORIZED DEFERRED
25 PAYMENT PLAN, THE DEPARTMENT MAY REFUSE TO ISSUE, MAY SUSPEND OR
26 MAY REVOKE SAID LICENSE. THE DEPARTMENT SHALL NOTIFY THE
27 APPLICANT OR LICENSEE OF ANY REFUSAL, SUSPENSION OR REVOCATION.
28 SUCH NOTICE SHALL CONTAIN A STATEMENT THAT THE REFUSAL,
29 SUSPENSION OR REVOCATION MAY BE MADE PUBLIC. SUCH NOTICE SHALL
30 BE MADE BY FIRST CLASS MAIL. AN APPLICANT OR LICENSEE AGGRIEVED

1 BY THE DETERMINATION OF THE DEPARTMENT MAY FILE AN APPEAL
2 PURSUANT TO THE PROVISIONS FOR ADMINISTRATIVE APPEALS IN THIS
3 ARTICLE. IN THE CASE OF A SUSPENSION OR REVOCATION WHICH IS
4 APPEALED, THE LICENSE SHALL REMAIN VALID PENDING A FINAL OUTCOME
5 OF THE APPEALS PROCESS. NOTWITHSTANDING SECTIONS 274, 353(F),
6 408(B), 603, 702, 711-A, 802, 904, THE FORMER 1004 AND 1102 OF
7 THE ACT OR ANY OTHER PROVISION OF LAW TO THE CONTRARY, IF NO
8 APPEAL IS TAKEN OR IF AN APPEAL IS TAKEN AND DENIED AT THE
9 CONCLUSION OF THE APPEAL PROCESS, THE DEPARTMENT MAY DISCLOSE,
10 BY PUBLICATION OR OTHERWISE, THE IDENTITY OF A PERSON AND THE
11 FACT THAT THE PERSON'S LICENSE HAS BEEN REFUSED, SUSPENDED OR
12 REVOKED UNDER THIS SUBSECTION. DISCLOSURE MAY INCLUDE THE BASIS
13 FOR REFUSAL, SUSPENSION OR REVOCATION.

14 (C) A PERSON THAT MAINTAINS A PLACE OF BUSINESS IN THIS
15 COMMONWEALTH FOR THE PURPOSE OF SELLING OR LEASING SERVICES OR
16 TANGIBLE PERSONAL PROPERTY, THE SALE OR USE OF WHICH IS SUBJECT
17 TO TAX, WITHOUT HAVING FIRST BEEN LICENSED BY THE DEPARTMENT
18 SHALL BE GUILTY OF A SUMMARY OFFENSE AND, UPON CONVICTION
19 THEREOF, BE SENTENCED TO PAY A FINE OF NOT LESS THAN THREE
20 HUNDRED DOLLARS (\$300) NOR MORE THAN ONE THOUSAND FIVE HUNDRED
21 (\$1,500) AND, IN DEFAULT THEREOF, TO UNDERGO IMPRISONMENT OF NOT
22 LESS THAN FIVE DAYS NOR MORE THAN THIRTY DAYS. THE PENALTIES
23 IMPOSED BY THIS SUBSECTION SHALL BE IN ADDITION TO ANY OTHER
24 PENALTIES IMPOSED BY THIS ARTICLE. FOR PURPOSES OF THIS
25 SUBSECTION, THE OFFERING FOR SALE OR LEASE OF ANY SERVICE OR
26 TANGIBLE PERSONAL PROPERTY, THE SALE OR USE OF WHICH IS SUBJECT
27 TO TAX, DURING ANY CALENDAR DAY, SHALL CONSTITUTE A SEPARATE
28 VIOLATION. THE SECRETARY OF REVENUE MAY DESIGNATE EMPLOYES OF
29 THE DEPARTMENT TO ENFORCE THE PROVISIONS OF THIS SUBSECTION. THE
30 EMPLOYES SHALL EXHIBIT PROOF OF AND BE WITHIN THE SCOPE OF THE

1 DESIGNATION WHEN INSTITUTING PROCEEDINGS AS PROVIDED BY THE
2 PENNSYLVANIA RULES OF CRIMINAL PROCEDURE.

3 (D) FAILURE OF ANY PERSON TO OBTAIN A LICENSE SHALL NOT
4 RELIEVE THAT PERSON OF LIABILITY TO PAY THE TAX IMPOSED BY THIS
5 ARTICLE.

6 SECTION 3. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

7 SECTION 281.3. SUPPLEMENTAL PUBLIC TRANSPORTATION ASSISTANCE
8 FUND TRANSFERS.--(A) ONE AND TWENTY-TWO ONE HUNDREDTHS PER CENT
9 (.0122) OF THE MONEY COLLECTED FROM THE TAX IMPOSED UNDER THIS
10 ARTICLE, UP TO A MAXIMUM OF NINETY-ONE MILLION ONE HUNDRED
11 THOUSAND DOLLARS (\$91,100,000) FOR FISCAL YEAR 2003-2004 AND
12 SEVENTY-FIVE MILLION DOLLARS (\$75,000,000) FOR FISCAL YEARS
13 THEREAFTER, SHALL BE DEPOSITED IN THE SUPPLEMENTAL PUBLIC
14 TRANSPORTATION ACCOUNT ESTABLISHED IN THE STATE TREASURY. WITHIN
15 30 DAYS OF THE CLOSE OF A CALENDAR MONTH, 1.22 PER CENT (.0122)
16 OF THE TAXES RECEIVED IN THE PRIOR CALENDAR MONTH SHALL BE
17 TRANSFERRED TO THE ACCOUNT. NO FUNDS IN EXCESS OF NINETY-ONE
18 MILLION ONE HUNDRED THOUSAND DOLLARS (\$91,100,000) FOR FISCAL
19 YEAR 2003-2004 AND SEVENTY-FIVE MILLION DOLLARS (\$75,000,000)
20 FOR FISCAL YEARS THEREAFTER MAY BE TRANSFERRED TO THE ACCOUNT IN
21 ANY ONE FISCAL YEAR. THE MONEY IN THE ACCOUNT SHALL BE USED BY
22 THE DEPARTMENT OF TRANSPORTATION FOR SUPPLEMENTAL PUBLIC
23 TRANSPORTATION ASSISTANCE TO BE DISTRIBUTED UNDER 74 PA.C.S. §
24 1310.1(B) (RELATING TO SUPPLEMENTAL PUBLIC TRANSPORTATION
25 ASSISTANCE FUNDING). TRANSIT ENTITIES MAY USE SUPPLEMENTAL
26 ASSISTANCE MONEYS FOR ANY OF THE PURPOSES ENUMERATED IN 74
27 PA.C.S. § 1311 (RELATING TO USE OF FUNDS DISTRIBUTED). IN
28 ADDITION TO THE ENUMERATED PURPOSES IN 74 PA.C.S. § 1311, CLASS
29 1, 2 AND 3 TRANSIT ENTITIES ALSO MAY USE THE BASE SUPPLEMENTAL
30 ASSISTANCE SHARE FOR GENERAL OPERATIONS. CLASS 4 TRANSIT

1 ENTITIES MAY USE ALL SUPPLEMENTAL ASSISTANCE MONEYS FOR GENERAL
2 OPERATIONS.

3 (B) THE WORDS AND PHRASES USED IN THIS SECTION SHALL HAVE
4 THE MEANINGS GIVEN TO THEM IN 74 PA.C.S. §§ 1310(F) (RELATING TO
5 DISTRIBUTION OF FUNDING) AND 1310.1(C).

6 SECTION 4. SECTION 301(K) OF THE ACT, AMENDED DECEMBER 23,
7 1983 (P.L.370, NO.90), IS AMENDED TO READ:

8 SECTION 301. DEFINITIONS.--THE FOLLOWING WORDS, TERMS AND
9 PHRASES WHEN USED IN THIS ARTICLE SHALL HAVE THE MEANING
10 ASCRIBED TO THEM IN THIS SECTION EXCEPT WHERE THE CONTEXT
11 CLEARLY INDICATES A DIFFERENT MEANING, AND, UNLESS SPECIFICALLY
12 PROVIDED OTHERWISE, ANY REFERENCE IN THIS ARTICLE TO THE
13 INTERNAL REVENUE CODE OF 1986 SHALL MEAN THE INTERNAL REVENUE
14 CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 1 ET SEQ.), AS
15 AMENDED TO JANUARY 1, 1997:

16 * * *

17 (K) "INCOME FROM SOURCES WITHIN THIS COMMONWEALTH" FOR A
18 NONRESIDENT INDIVIDUAL, ESTATE OR TRUST MEANS THE SAME AS
19 COMPENSATION, NET PROFITS, GAINS, DIVIDENDS, INTEREST OR INCOME
20 ENUMERATED AND CLASSIFIED UNDER SECTION 303 OF THIS ARTICLE TO
21 THE EXTENT THAT IT IS EARNED, RECEIVED OR ACQUIRED FROM SOURCES
22 WITHIN THIS COMMONWEALTH:

23 (1) BY REASON [OR] OF OWNERSHIP OR DISPOSITION OF ANY
24 INTEREST IN REAL OR TANGIBLE PERSONAL PROPERTY IN THIS
25 COMMONWEALTH; OR

26 (2) IN CONNECTION WITH A TRADE, PROFESSION, OCCUPATION
27 CARRIED ON IN THIS COMMONWEALTH OR FOR THE RENDITION OF PERSONAL
28 SERVICES PERFORMED IN THIS COMMONWEALTH; OR

29 (3) AS A DISTRIBUTIVE SHARE OF THE INCOME OF AN
30 UNINCORPORATED BUSINESS, PENNSYLVANIA S CORPORATION, PROFESSION,

1 ENTERPRISE, UNDERTAKING OR OTHER ACTIVITY AS THE RESULT OF WORK
2 DONE, SERVICES RENDERED OR OTHER BUSINESS ACTIVITIES CONDUCTED
3 IN THIS COMMONWEALTH, EXCEPT AS ALLOCATED TO ANOTHER STATE
4 PURSUANT TO REGULATIONS PROMULGATED BY THE DEPARTMENT UNDER THIS
5 ARTICLE; OR

6 (4) FROM INTANGIBLE PERSONAL PROPERTY EMPLOYED IN A TRADE,
7 PROFESSION, OCCUPATION OR BUSINESS CARRIED ON IN THIS
8 COMMONWEALTH[.]; OR

9 (5) AS GAMBLING AND LOTTERY WINNINGS BY REASON OF A WAGER
10 PLACED IN THIS COMMONWEALTH, THE CONDUCT OF A GAME OF CHANCE OR
11 OTHER GAMBLING ACTIVITY LOCATED IN THIS COMMONWEALTH OR THE
12 REDEMPTION OF A LOTTERY PRIZE FROM A LOTTERY CONDUCTED IN THIS
13 COMMONWEALTH, OTHER THAN PRIZES OF THE PENNSYLVANIA STATE
14 LOTTERY.

15 PROVIDED, HOWEVER, THAT "INCOME FROM SOURCES WITHIN THIS
16 COMMONWEALTH" FOR A NONRESIDENT INDIVIDUAL, ESTATE OR TRUST
17 SHALL NOT INCLUDE ANY ITEMS OF INCOME ENUMERATED ABOVE RECEIVED
18 OR ACQUIRED FROM AN INVESTMENT COMPANY REGISTERED WITH THE
19 FEDERAL SECURITIES AND EXCHANGE COMMISSION UNDER THE INVESTMENT
20 COMPANY ACT OF 1940.

21 * * *

22 SECTION 5. SECTION 302 OF THE ACT, ADDED AUGUST 4, 1991
23 (P.L.97, NO.22), IS AMENDED TO READ:

24 SECTION 302. IMPOSITION OF TAX.--(A) EVERY RESIDENT
25 INDIVIDUAL, ESTATE OR TRUST SHALL BE SUBJECT TO, AND SHALL PAY
26 FOR THE PRIVILEGE OF RECEIVING EACH OF THE CLASSES OF INCOME
27 HEREINAFTER ENUMERATED IN SECTION 303, A TAX UPON EACH DOLLAR OF
28 INCOME RECEIVED BY THAT RESIDENT DURING THAT RESIDENT'S TAXABLE
29 YEAR AT THE FOLLOWING RATES:

30 (1) TWO AND ONE-TENTH PER CENT FOR TAXABLE YEARS COMMENCING

1 WITH OR WITHIN CALENDAR YEAR 1987 THROUGH THE FIRST HALF OF THE
2 TAXABLE YEAR COMMENCING WITH OR WITHIN CALENDAR YEAR 1991.

3 (2) TWO AND EIGHT-TENTHS PER CENT FOR THE SECOND HALF OF THE
4 TAXABLE YEAR COMMENCING WITH OR WITHIN CALENDAR YEAR 1991 [AND
5 EACH TAXABLE YEAR THEREAFTER] THROUGH THE TAXABLE YEAR
6 COMMENCING WITH OR WITHIN CALENDAR YEAR 2003.

7 (3) A TEMPORARY ASSESSMENT EQUAL TO AN ADDITIONAL THREE-
8 TENTHS PER CENT FOR THE SECOND HALF OF THE TAXABLE YEAR
9 COMMENCING WITH OR WITHIN CALENDAR YEAR 1991 THROUGH THE FIRST
10 HALF OF THE TAXABLE YEAR COMMENCING WITH OR WITHIN CALENDAR YEAR
11 1992.

12 (4) THREE AND TWENTY-FIVE ONE HUNDREDTHS PER CENT FOR THE
13 FIRST HALF OF THE TAXABLE YEAR COMMENCING WITH OR WITHIN
14 CALENDAR YEAR 2004.

15 (5) THREE AND ONE-TENTH PER CENT FOR THE SECOND HALF OF THE
16 TAXABLE YEAR COMMENCING WITH OR WITHIN CALENDAR YEAR 2004 AND
17 EACH TAXABLE YEAR THEREAFTER.

18 (B) EVERY NONRESIDENT INDIVIDUAL, ESTATE OR TRUST SHALL BE
19 SUBJECT TO, AND SHALL PAY FOR THE PRIVILEGE OF RECEIVING EACH OF
20 THE CLASSES OF INCOME HEREINAFTER ENUMERATED IN SECTION 303 FROM
21 SOURCES WITHIN THIS COMMONWEALTH, A TAX UPON EACH DOLLAR OF
22 INCOME RECEIVED BY THAT NONRESIDENT DURING THAT NONRESIDENT'S
23 TAXABLE YEAR AT THE FOLLOWING RATES:

24 (1) TWO AND ONE-TENTH PER CENT FOR TAXABLE YEARS COMMENCING
25 WITH OR WITHIN CALENDAR YEAR 1987 THROUGH THE FIRST HALF OF THE
26 TAXABLE YEAR COMMENCING WITH OR WITHIN CALENDAR YEAR 1991.

27 (2) TWO AND EIGHT-TENTHS PER CENT FOR THE SECOND HALF OF THE
28 TAXABLE YEAR COMMENCING WITH OR WITHIN CALENDAR YEAR 1991 [AND
29 EACH TAXABLE YEAR THEREAFTER] THROUGH THE TAXABLE YEAR
30 COMMENCING WITH OR WITHIN CALENDAR YEAR 2003.

1 (3) A TEMPORARY ASSESSMENT EQUAL TO AN ADDITIONAL THREE-
2 TENTHS PER CENT FOR THE SECOND HALF OF THE TAXABLE YEAR
3 COMMENCING WITH OR WITHIN CALENDAR YEAR 1991 THROUGH THE FIRST
4 HALF OF THE TAXABLE YEAR COMMENCING WITH OR WITHIN CALENDAR YEAR
5 1992.

6 (4) THREE AND TWENTY-FIVE ONE HUNDREDTHS PER CENT FOR THE
7 FIRST HALF OF THE TAXABLE YEAR COMMENCING WITH OR WITHIN
8 CALENDAR YEAR 2004.

9 (5) THREE AND ONE-TENTH PER CENT FOR THE SECOND HALF OF THE
10 TAXABLE YEAR COMMENCING WITH OR WITHIN CALENDAR YEAR 2004 AND
11 EACH TAXABLE YEAR THEREAFTER.

12 SECTION 6. SECTION 330(B)(1) OF THE ACT, AMENDED MARCH 26,
13 1991 (P.L.5, NO.3), IS AMENDED TO READ:

14 SECTION 330. RETURNS AND LIABILITY.--* * *

15 (B) (1) IN THE CASE OF AN INDIVIDUAL SERVING IN THE ARMED
16 FORCES OF THE UNITED STATES IN AN AREA DESIGNATED BY THE
17 PRESIDENT OF THE UNITED STATES BY EXECUTIVE ORDER AS A "COMBAT
18 [ZONE"] ZONE," AS DESCRIBED IN SECTION 7508 OF THE INTERNAL
19 REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 7508), AS
20 AMENDED, AT ANY TIME DURING THE PERIOD DESIGNATED BY THE
21 PRESIDENT BY EXECUTIVE ORDER AS THE PERIOD OF COMBATANT
22 ACTIVITIES IN THE COMBAT ZONE OR HOSPITALIZED AS A RESULT OF
23 INJURY RECEIVED WHILE SERVING IN THE COMBAT ZONE DURING SUCH
24 TIME, OR AN INDIVIDUAL SERVING IN A MILITARY CAPACITY AS A
25 RESULT OF A FEDERAL CALLUP TO ACTIVE DUTY OR CIVILIAN CAPACITY
26 OUTSIDE THE BOUNDARY OF THIS COMMONWEALTH IN SUPPORT OF SUCH
27 ARMED FORCES, THE PERIOD OF SERVICE IN SUCH AREA, PLUS THE
28 PERIOD OF QUALIFIED CONTINUOUS HOSPITALIZATION ATTRIBUTABLE TO
29 SUCH INJURY, AND THE NEXT ONE HUNDRED EIGHTY DAYS THEREAFTER
30 SHALL BE DISREGARDED IN DETERMINING, UNDER THIS ARTICLE, IN

1 RESPECT OF ANY TAX LIABILITY, INCLUDING ANY INTEREST, PENALTY,
2 ADDITIONAL AMOUNT OR ADDITION TO THE TAX OF SUCH INDIVIDUAL:

3 (I) WHETHER ANY OF THE FOLLOWING ACTS WERE PERFORMED WITHIN
4 THE TIME PRESCRIBED THEREFOR:

5 (A) FILING ANY RETURN OF INCOME TAX, EXCEPT INCOME TAX
6 WITHHELD AT SOURCE;

7 (B) PAYMENT OF ANY INCOME TAX, EXCEPT INCOME TAX WITHHELD AT
8 SOURCE OR ANY INSTALLMENT THEREOF OR OF ANY OTHER LIABILITY TO
9 THE COMMONWEALTH IN RESPECT THEREOF;

10 (C) FILING A PETITION FOR REDETERMINATION OF A DEFICIENCY OR
11 FOR REVIEW OF A DECISION RENDERED BY THE DEPARTMENT;

12 (D) ALLOWANCE OF A CREDIT OR REFUND OF ANY TAX;

13 (E) FILING A CLAIM FOR CREDIT OR REFUND OF ANY TAX;

14 (F) BRINGING SUIT UPON ANY SUCH CLAIM FOR CREDIT OR REFUND;

15 (G) ASSESSMENT OF ANY TAX;

16 (H) GIVING OR MAKING ANY NOTICE OR DEMAND FOR THE PAYMENT OF
17 ANY TAX OR WITH RESPECT TO ANY LIABILITY TO THE COMMONWEALTH IN
18 RESPECT OF ANY TAX;

19 (I) COLLECTION BY THE DEPARTMENT, BY LEVY OR OTHERWISE, OF
20 THE AMOUNT OF ANY LIABILITY IN RESPECT OF ANY TAX;

21 (J) BRINGING SUIT BY THE COMMONWEALTH, OR ANY OFFICER ON ITS
22 BEHALF, IN RESPECT OF ANY LIABILITY IN RESPECT OF ANY TAX; AND

23 (K) ANY OTHER ACT REQUIRED OR PERMITTED UNDER THIS ARTICLE
24 SPECIFIED IN REGULATIONS PRESCRIBED BY THE DEPARTMENT;

25 (II) THE AMOUNT OF ANY CREDIT OR REFUND, INCLUDING INTEREST.

26 * * *

27 SECTION 7. SECTION 335 OF THE ACT IS AMENDED BY ADDING A
28 SUBSECTION TO READ:

29 SECTION 335. REQUIREMENTS CONCERNING RETURNS, NOTICES,
30 RECORDS AND STATEMENTS.--* * *

1 (E) ANY PERSON WHO IS REQUIRED TO MAKE A FORM W-2G RETURN TO
2 THE SECRETARY OF THE TREASURY OF THE UNITED STATES IN REGARD TO
3 TAXABLE GAMBLING OR LOTTERY WINNINGS FROM SOURCES WITHIN THIS
4 COMMONWEALTH SHALL FILE A COPY OF THE FORM WITH THE DEPARTMENT
5 BY MARCH 1 OF EACH YEAR OR, IF FILED ELECTRONICALLY, BY MARCH 31
6 OF EACH YEAR.

7 SECTION 8. THE DEFINITION OF "CORPORATION" IN SECTION 601(A)
8 OF THE ACT, AMENDED JUNE 29, 2002 (P.L.559, NO.89), IS AMENDED
9 TO READ:

10 SECTION 601. DEFINITIONS AND REPORTS.--(A) THE FOLLOWING
11 WORDS, TERMS AND PHRASES WHEN USED IN THIS ARTICLE VI SHALL HAVE
12 THE MEANING ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE
13 CONTEXT CLEARLY INDICATES A DIFFERENT MEANING:

14 * * *

15 "CORPORATION." (A) ANY OF THE FOLLOWING ENTITIES:

16 (1) A CORPORATION.

17 (2) A JOINT-STOCK ASSOCIATION.

18 (3) A BUSINESS TRUST.

19 (4) A LIMITED LIABILITY COMPANY[, OTHER THAN]. THIS CLAUSE
20 EXCLUDES A RESTRICTED PROFESSIONAL COMPANY WHICH IS SUBJECT TO
21 15 PA.C.S. CH. 89 SUBCH. L (RELATING TO RESTRICTED PROFESSIONAL
22 COMPANIES)[,] AND WHICH IS DEEMED TO BE A LIMITED PARTNERSHIP
23 PURSUANT TO 15 PA.C.S. § 8997 (RELATING TO TAXATION OF
24 RESTRICTED PROFESSIONAL COMPANIES).

25 (5) AN ENTITY WHICH FOR FEDERAL INCOME TAX PURPOSES IS
26 CLASSIFIED AS A CORPORATION.

27 (B) THE TERM DOES NOT INCLUDE ANY OF THE FOLLOWING:

28 (1) A BUSINESS TRUST WHICH QUALIFIES AS A REAL ESTATE
29 INVESTMENT TRUST UNDER SECTION 856 OF THE INTERNAL REVENUE CODE
30 OF 1986 (26 U.S.C. § 856) OR WHICH IS A QUALIFIED REAL ESTATE

1 INVESTMENT TRUST SUBSIDIARY UNDER SECTION 856(I) OF THE INTERNAL
2 REVENUE CODE OF 1986 (26 U.S.C. § 856(I)) OR A RELATED BUSINESS
3 TRUST WHICH CONFINES ITS ACTIVITIES IN THIS COMMONWEALTH TO THE
4 MAINTENANCE, ADMINISTRATION AND MANAGEMENT OF INTANGIBLE
5 INVESTMENTS AND ACTIVITIES OF REAL ESTATE INVESTMENT TRUSTS OR
6 QUALIFIED REAL ESTATE INVESTMENT TRUST SUBSIDIARIES. A BUSINESS
7 TRUST WHICH IS A QUALIFIED REAL ESTATE INVESTMENT TRUST
8 SUBSIDIARY UNDER SECTION 856(I) OF THE INTERNAL REVENUE CODE OF
9 1986 (26 U.S.C. § 856(I)) SHALL BE TREATED AS PART OF THE REAL
10 ESTATE INVESTMENT TRUST WHICH OWNS ALL OF THE STOCK OF THE
11 QUALIFIED REAL ESTATE INVESTMENT TRUST SUBSIDIARY.

12 (2) A BUSINESS TRUST WHICH QUALIFIES AS A REGULATED
13 INVESTMENT COMPANY UNDER SECTION 851 OF THE INTERNAL REVENUE
14 CODE OF 1986 (26 U.S.C. § 851) AND WHICH IS REGISTERED WITH THE
15 UNITED STATES SECURITIES AND EXCHANGE COMMISSION UNDER THE
16 INVESTMENT COMPANY ACT OF 1940 (54 STAT. 789, 15 U.S.C. § 80A-1
17 ET SEQ.) OR A RELATED BUSINESS TRUST WHICH CONFINES ITS
18 ACTIVITIES IN THIS COMMONWEALTH TO THE MAINTENANCE,
19 ADMINISTRATION AND MANAGEMENT OF INTANGIBLE INVESTMENTS AND
20 ACTIVITIES OF REGULATED INVESTMENT COMPANIES.

21 (3) A CORPORATION, TRUST OR OTHER ENTITY WHICH IS AN EXEMPT
22 ORGANIZATION AS DEFINED BY SECTION 501 OF THE INTERNAL REVENUE
23 CODE OF 1986 (26 U.S.C. § 501).

24 (4) A CORPORATION, TRUST OR OTHER ENTITY ORGANIZED AS A NOT-
25 FOR-PROFIT ORGANIZATION UNDER THE LAWS OF THIS COMMONWEALTH OR
26 THE LAWS OF ANY OTHER STATE WHICH:

27 (I) WOULD QUALIFY AS AN EXEMPT ORGANIZATION AS DEFINED BY
28 SECTION 501 OF THE INTERNAL REVENUE CODE OF 1986 (26 U.S.C. §
29 501);

30 (II) WOULD QUALIFY AS A HOMEOWNERS ASSOCIATION AS DEFINED BY

1 SECTION 528(C) OF THE INTERNAL REVENUE CODE OF 1986 (26 U.S.C. §
2 528(C)); OR

3 (III) IS A MEMBERSHIP ORGANIZATION SUBJECT TO THE FEDERAL
4 LIMITATIONS ON DEDUCTIONS FROM TAXABLE INCOME UNDER SECTION 277
5 OF THE INTERNAL REVENUE CODE OF 1986 (26 U.S.C. § 277) BUT ONLY
6 IF NO PECUNIARY GAIN OR PROFIT INURES TO ANY MEMBER OR RELATED
7 ENTITY FROM THE MEMBERSHIP ORGANIZATION.

8 (5) A COOPERATIVE AGRICULTURAL ASSOCIATION SUBJECT TO 15
9 PA.C.S. CH. 75 (RELATING TO COOPERATIVE AGRICULTURAL
10 ASSOCIATIONS).

11 (6) A BUSINESS TRUST IF THE TRUST IS ALL OF THE FOLLOWING:

12 (I) CREATED OR MANAGED BY AN ENTITY WHICH IS SUBJECT TO THE
13 TAX IMPOSED BY ARTICLE VII OR XV OR WHICH IS AN AFFILIATE OF THE
14 ENTITY WHICH SHARES AT LEAST EIGHTY PER CENT COMMON OWNERSHIP.

15 (II) CREATED AND MANAGED FOR THE PURPOSE OF FACILITATING THE
16 SECURITIZATION OF INTANGIBLE ASSETS.

17 (III) CLASSIFIED AS A PARTNERSHIP OR A DISREGARDED ENTITY
18 FOR FEDERAL INCOME TAX PURPOSES.

19 * * *

20 SECTION 9. SECTIONS 602(H) AND 607 OF THE ACT, AMENDED OR
21 ADDED JUNE 29, 2002 (P.L.559, NO.89), ARE AMENDED TO READ:

22 SECTION 602. IMPOSITION OF TAX.--* * *

23 (H) THE RATE OF TAX FOR PURPOSES OF THE CAPITAL STOCK AND
24 FRANCHISE TAX FOR TAXABLE YEARS BEGINNING WITHIN THE DATES SET
25 FORTH SHALL BE AS FOLLOWS:

26 TAXABLE YEAR	REGULAR RATE	SURTAX	TOTAL RATE
27 JANUARY 1, 1971, TO			
28 DECEMBER 31, 1986	10 MILLS	0	10 MILLS
29 JANUARY 1, 1987, TO			
30 DECEMBER 31, 1987	9 MILLS	0	9 MILLS

1	JANUARY 1, 1988, TO			
2	DECEMBER 31, 1990	9.5 MILLS	0	9.5 MILLS
3	JANUARY 1, 1991, TO			
4	DECEMBER 31, 1991	11 MILLS	2 MILLS	13 MILLS
5	JANUARY 1, 1992, TO			
6	DECEMBER 31, 1997	11 MILLS	1.75 MILLS	12.75 MILLS
7	JANUARY 1, 1998, TO			
8	DECEMBER 31, 1998	11 MILLS	.99 MILLS	11.99 MILLS
9	JANUARY 1, 1999, TO			
10	DECEMBER 31, 1999	10.99 MILLS	0	10.99 MILLS
11	JANUARY 1, 2000, TO			
12	DECEMBER 31, 2000	8.99 MILLS	0	8.99 MILLS
13	JANUARY 1, 2001, TO			
14	DECEMBER 31, 2001	7.49 MILLS	0	7.49 MILLS
15	[JANUARY 1, 2002, TO			
16	DECEMBER 31, 2002	7.24 MILLS	0	7.24 MILLS
17	JANUARY 1, 2003, TO			
18	DECEMBER 31, 2003	6.99 MILLS	0	6.99 MILLS
19	JANUARY 1, 2004, TO			
20	DECEMBER 31, 2004	5.99 MILLS	0	5.99 MILLS
21	JANUARY 1, 2005, TO			
22	DECEMBER 31, 2005	4.99 MILLS	0	4.99 MILLS
23	JANUARY 1, 2006, TO			
24	DECEMBER 31, 2006	3.99 MILLS	0	3.99 MILLS
25	JANUARY 1, 2007, TO			
26	DECEMBER 31, 2007	2.99 MILLS	0	2.99 MILLS
27	JANUARY 1, 2008, TO			
28	DECEMBER 31, 2008	1.99 MILLS	0	1.99 MILLS
29	JANUARY 1, 2009, TO			
30	DECEMBER 31, 2009	.99 MILLS	0	.99 MILLS]

1	<u>JANUARY 1, 2002, TO</u>			
2	<u>DECEMBER 31, 2003</u>	<u>7.24 MILLS</u>	<u>0</u>	<u>7.24 MILLS</u>
3	<u>JANUARY 1, 2004, TO</u>			
4	<u>DECEMBER 31, 2004</u>	<u>6.99 MILLS</u>	<u>0</u>	<u>6.99 MILLS</u>
5	<u>JANUARY 1, 2005, TO</u>			
6	<u>DECEMBER 31, 2005</u>	<u>5.99 MILLS</u>	<u>0</u>	<u>5.99 MILLS</u>
7	<u>JANUARY 1, 2006, TO</u>			
8	<u>DECEMBER 31, 2006</u>	<u>4.99 MILLS</u>	<u>0</u>	<u>4.99 MILLS</u>
9	<u>JANUARY 1, 2007, TO</u>			
10	<u>DECEMBER 31, 2007</u>	<u>3.99 MILLS</u>	<u>0</u>	<u>3.99 MILLS</u>
11	<u>JANUARY 1, 2008, TO</u>			
12	<u>DECEMBER 31, 2008</u>	<u>2.99 MILLS</u>	<u>0</u>	<u>2.99 MILLS</u>
13	<u>JANUARY 1, 2009, TO</u>			
14	<u>DECEMBER 31, 2009</u>	<u>1.99 MILLS</u>	<u>0</u>	<u>1.99 MILLS</u>
15	<u>JANUARY 1, 2010, TO</u>			
16	<u>DECEMBER 31, 2010</u>	<u>.99 MILLS</u>	<u>0</u>	<u>.99 MILLS</u>

17 * * *

18 SECTION 607. EXPIRATION.--THIS ARTICLE SHALL EXPIRE FOR
19 TAXABLE YEARS BEGINNING AFTER DECEMBER 31, [2009] 2010.

20 SECTION 10. THE HEADING OF ARTICLE XI IS AMENDED TO READ:

21 ARTICLE XI

22 [UTILITIES] GROSS RECEIPTS TAX

23 SECTION 11. SECTION 1101(A) AND (I) OF THE ACT, AMENDED MAY
24 24, 2000 (P.L.106, NO.23), ARE AMENDED AND THE SECTION IS
25 AMENDED BY ADDING SUBSECTIONS TO READ:

26 SECTION 1101. IMPOSITION OF TAX.--(A) GENERAL RULE.--EVERY
27 PIPELINE COMPANY, CONDUIT COMPANY, STEAMBOAT COMPANY, CANAL
28 COMPANY, SLACK WATER NAVIGATION COMPANY, TRANSPORTATION COMPANY,
29 AND EVERY OTHER COMPANY, ASSOCIATION, JOINT-STOCK ASSOCIATION,
30 OR LIMITED PARTNERSHIP, NOW OR HEREAFTER INCORPORATED OR

1 ORGANIZED BY OR UNDER ANY LAW OF THIS COMMONWEALTH, OR NOW OR
2 HEREAFTER ORGANIZED OR INCORPORATED BY ANY OTHER STATE OR BY THE
3 UNITED STATES OR ANY FOREIGN GOVERNMENT, AND DOING BUSINESS IN
4 THIS COMMONWEALTH, AND EVERY COPARTNERSHIP, PERSON OR PERSONS
5 OWNING, OPERATING OR LEASING TO OR FROM ANOTHER CORPORATION,
6 COMPANY, ASSOCIATION, JOINT-STOCK ASSOCIATION, LIMITED
7 PARTNERSHIP, COPARTNERSHIP, PERSON OR PERSONS, ANY PIPELINE,
8 CONDUIT, STEAMBOAT, CANAL, SLACK WATER NAVIGATION, OR OTHER
9 DEVICE FOR THE TRANSPORTATION OF FREIGHT, PASSENGERS, BAGGAGE,
10 OR OIL, EXCEPT MOTOR VEHICLES AND RAILROADS, AND EVERY LIMITED
11 PARTNERSHIP, ASSOCIATION, JOINT-STOCK ASSOCIATION, CORPORATION
12 OR COMPANY ENGAGED IN, OR HEREAFTER ENGAGED IN, THE
13 TRANSPORTATION OF FREIGHT OR OIL WITHIN THIS STATE, AND EVERY
14 TELEPHONE COMPANY [AND], TELEGRAPH COMPANY OR PROVIDER OF MOBILE
15 TELECOMMUNICATIONS SERVICES NOW OR HEREAFTER INCORPORATED OR
16 ORGANIZED BY OR UNDER ANY LAW OF THIS COMMONWEALTH, OR NOW OR
17 HEREAFTER ORGANIZED OR INCORPORATED BY ANY OTHER STATE OR BY THE
18 UNITED STATES OR ANY FOREIGN GOVERNMENT AND DOING BUSINESS IN
19 THIS COMMONWEALTH, AND EVERY LIMITED PARTNERSHIP, ASSOCIATION,
20 JOINT-STOCK ASSOCIATION, COPARTNERSHIP, PERSON OR PERSONS,
21 ENGAGED IN TELEPHONE OR TELEGRAPH BUSINESS OR PROVIDING MOBILE
22 TELECOMMUNICATIONS SERVICES IN THIS COMMONWEALTH, SHALL PAY TO
23 THE STATE TREASURER, THROUGH THE DEPARTMENT OF REVENUE, A TAX OF
24 FORTY-FIVE MILLS WITH A SURTAX EQUAL TO FIVE MILLS UPON EACH
25 DOLLAR OF THE GROSS RECEIPTS OF THE CORPORATION, COMPANY OR
26 ASSOCIATION, LIMITED PARTNERSHIP, JOINT-STOCK ASSOCIATION,
27 COPARTNERSHIP, PERSON OR PERSONS, RECEIVED FROM:

28 (1) PASSENGERS, BAGGAGE, OIL AND FREIGHT TRANSPORTED WHOLLY
29 WITHIN THIS STATE; AND

30 (2) TELEGRAPH OR TELEPHONE MESSAGES TRANSMITTED WHOLLY

1 WITHIN THIS STATE[,]; OR TELEGRAPH OR TELEPHONE MESSAGES
2 TRANSMITTED IN INTERSTATE COMMERCE WHERE SUCH MESSAGES ORIGINATE
3 OR TERMINATE IN THIS COMMONWEALTH AND THE CHARGES FOR SUCH
4 MESSAGES ARE BILLED TO A SERVICE ADDRESS IN THIS COMMONWEALTH;
5 OR MOBILE TELECOMMUNICATIONS SERVICES MESSAGES SOURCED TO THIS
6 COMMONWEALTH BASED ON THE PLACE OF PRIMARY USE STANDARD SET
7 FORTH IN THE MOBILE TELECOMMUNICATIONS SOURCING ACT (4 U.S.C. §
8 117)); EXCEPT GROSS RECEIPTS DERIVED FROM:

9 (I) THE SALES OF ACCESS TO THE INTERNET, AS SET FORTH IN
10 ARTICLE II, MADE TO THE ULTIMATE CONSUMER; AND

11 (II) THE SALES FOR RESALE TO PERSONS, PARTNERSHIPS,
12 ASSOCIATIONS, CORPORATIONS OR POLITICAL SUBDIVISIONS SUBJECT TO
13 THE TAX IMPOSED BY THIS ARTICLE UPON GROSS RECEIPTS DERIVED FROM
14 SUCH RESALE OF TELECOMMUNICATIONS SERVICES AND MOBILE
15 TELECOMMUNICATIONS SERVICES, INCLUDING:

16 (A) TELECOMMUNICATIONS EXCHANGE ACCESS TO INTERCONNECT WITH
17 A LOCAL EXCHANGE CARRIER'S NETWORK; [AND]

18 (B) NETWORK ELEMENTS ON AN UNBUNDLED BASIS[.]; AND

19 (C) SALES OF TELECOMMUNICATIONS SERVICES TO INTERCONNECT
20 WITH PROVIDERS OF MOBILE TELECOMMUNICATIONS SERVICES AND SALES
21 OF MOBILE TELECOMMUNICATIONS SERVICES TO INTERCONNECT WITH
22 PROVIDERS OF TELECOMMUNICATIONS SERVICES.

23 (A.1) CREDIT.--TELEGRAPH OR TELEPHONE COMPANIES, OR A
24 PROVIDER OF MOBILE TELECOMMUNICATIONS SERVICES THAT PAYS A GROSS
25 RECEIPTS TAX TO ANOTHER STATE ON MESSAGES OR SERVICES THAT ARE
26 TAXABLE UNDER THIS ARTICLE ARE ENTITLED TO A CREDIT AGAINST THE
27 TAX DUE UNDER THIS ARTICLE. THE CREDIT ALLOWED WITH RESPECT TO
28 THE MESSAGES SHALL NOT EXCEED THE TAX DUE UNDER THIS ARTICLE
29 WITH RESPECT TO THE MESSAGES OR SERVICES.

30 * * *

1 (C.1) SAFE HARBOR BASE YEAR.--FOR PURPOSES OF THE ESTIMATED
2 TAX REQUIREMENTS UNDER SECTIONS 3003.2 AND 3003.3, THE "SAFE
3 HARBOR BASE YEAR" TAX AMOUNT FOR PROVIDERS OF MOBILE
4 TELECOMMUNICATIONS SERVICES SHALL BE THE AMOUNT THAT WOULD HAVE
5 BEEN REQUIRED TO BE PAID BY THE TAXPAYER IF THE TAXPAYER HAD
6 BEEN SUBJECT TO THIS ARTICLE, APPORTIONED FOR THE NUMBER OF DAYS
7 FOR WHICH THE TAX IMPOSED UNDER THIS SECTION IS APPLICABLE
8 DURING THE TAXABLE YEAR.

9 * * *

10 (I) ITEMIZATION OF GROSS RECEIPTS TAX.--

11 (1) [INTEREXCHANGE] EXCEPT AS PROVIDED IN PARAGRAPH (2.1),
12 INTEREXCHANGE TELECOMMUNICATIONS CARRIERS MAY SURCHARGE AND
13 DISCLOSE AS A SEPARATE LINE ITEM ON A CUSTOMER'S BILL ALL GROSS
14 RECEIPTS TAXES IMPOSED ON INTEREXCHANGE TELECOMMUNICATIONS
15 CARRIERS SERVICES PERFORMED WHOLLY WITHIN THIS COMMONWEALTH.

16 (2) FOR FOUR MONTHLY BILLING CYCLES FROM THE EFFECTIVE DATE
17 OF THIS ACT, ALL INTEREXCHANGE TELECOMMUNICATIONS CARRIERS SHALL
18 PROVIDE THE CUSTOMER WITH INFORMATION IN THE CARRIERS' MONTHLY
19 BILLING THAT THE GROSS RECEIPTS LINE ITEM SURCHARGE IS NOT A TAX
20 INCREASE, BUT MERELY A DISCLOSURE OF TAXES PRESENTLY AND
21 PREVIOUSLY PAID BY THE CUSTOMER.

22 (2.1) TELEPHONE COMPANIES AND PROVIDERS OF MOBILE
23 TELECOMMUNICATIONS SERVICES MAY NOT ITEMIZE AS A SEPARATE LINE
24 ITEM OR INCLUDE AS A SEPARATE LINE ITEM ON A CUSTOMER'S BILL ANY
25 GROSS RECEIPTS TAXES IMPOSED ON MOBILE TELECOMMUNICATIONS
26 SERVICES OR TELEPHONE OR TELEGRAPH MESSAGES TRANSMITTED IN
27 INTERSTATE COMMERCE SUBJECT TO TAXATION UNDER THIS ARTICLE DUE
28 TO THE ENACTMENT OF THIS AMENDATORY ACT.

29 (3) AS USED IN THIS SUBSECTION, THE TERM "INTEREXCHANGE
30 TELECOMMUNICATIONS CARRIER" HAS THE MEANING AS DEFINED IN 66

1 PA.C.S. § 3002 (RELATING TO DEFINITIONS).

2 (J) PENALTY FOR SUBSTANTIAL UNDERPAYMENT OF INITIAL
3 ESTIMATED GROSS RECEIPTS TAX.--

4 (1) IF THE AMOUNT OF THE ESTIMATED GROSS RECEIPTS TAX PAID
5 BY THE DUE DATE ON ACCOUNT OF A TAXPAYER'S FIRST APPLICABLE
6 TAXABLE YEAR UNDER THIS ARTICLE IS LESS THAN SEVENTY-FIVE PER
7 CENT OF THE TAX SHOWN ON THE REPORT FOR THAT TAXABLE YEAR OR THE
8 AMOUNT OF THE TAX SETTLED OR RESETTLED IF THAT AMOUNT EXCEEDS
9 THE REPORTED TAX BY MORE THAN TEN PER CENT, THEN A PENALTY SHALL
10 BE IMPOSED IN AN AMOUNT EQUAL TO FIVE PER CENT OF THE DIFFERENCE
11 BETWEEN THE TAX REPORTED OR, IF APPLICABLE, SETTLED OR RESETTLED
12 AND THE AMOUNT OF THE ESTIMATED TAX PAID BY THE DUE DATE.

13 (2) THE PENALTY IMPOSED BY THIS SUBSECTION IS IN ADDITION TO
14 ANY INTEREST IMPOSED ON UNDERPAYMENTS BY SECTION 3003.3.

15 (3) FOR THE PURPOSES OF THIS SUBSECTION, THE TERM "DUE DATE"
16 SHALL MEAN THE DATE SEVENTY-FIVE DAYS AFTER THIS SUBSECTION
17 BECOMES APPLICABLE OR MARCH 15, 2004, WHICHEVER IS LATER.

18 SECTION 12. SECTION 1111-A OF THE ACT, ADDED JUNE 29, 2002
19 (P.L.559, NO.89), IS AMENDED TO READ:

20 SECTION 1111-A. SURCHARGE.--(A) BY AUGUST 1, 2003, AND BY
21 EACH AUGUST 1 THEREAFTER, THE ATTORNEY GENERAL SHALL CERTIFY TO
22 THE DEPARTMENT A REPORT CONTAINING THE TOTAL REDUCTION OF
23 LIABILITIES, PAID OR UNPAID, TO THE COMMONWEALTH WHICH ARE THE
24 RESULT OF A FINAL ADJUDICATION OF LITIGATION OR A SETTLEMENT OF
25 LITIGATION ENTERED INTO BY THE OFFICE OF ATTORNEY GENERAL FOR
26 CLAIMS MADE UNDER THIS ARTICLE DURING THE PRIOR FISCAL YEAR.

27 (B) BY AUGUST 1, 2003, AND BY EACH AUGUST 1 THEREAFTER, THE
28 STATE TREASURER SHALL CERTIFY TO THE DEPARTMENT A REPORT
29 CONTAINING THE TOTAL REDUCTION OF LIABILITIES, PAID OR UNPAID,
30 TO THE COMMONWEALTH GRANTED BY THE BOARD OF FINANCE AND REVENUE

1 WHICH ARE THE RESULT OF A FINAL ORDER NOT APPEALED BY THE
2 DEPARTMENT FOR CLAIMS MADE UNDER THIS ARTICLE DURING THE PRIOR
3 FISCAL YEAR.

4 (C) IF THE TOTAL REDUCTION OF LIABILITIES REPORTED TO THE
5 DEPARTMENT UNDER SUBSECTIONS (A) AND (B) EXCEED FIVE MILLION
6 DOLLARS (\$5,000,000) FOR THE FISCAL YEAR, EACH ENTITY SUBJECT TO
7 THE TAX IMPOSED BY SECTION 1101 SHALL PAY TO THE COMMONWEALTH A
8 SURCHARGE UPON EACH DOLLAR OF THE GROSS RECEIPTS REQUIRED TO BE
9 REPORTED UNDER SECTION 1101, EXCEPT GROSS RECEIPTS FROM
10 PROVIDING MOBILE TELECOMMUNICATIONS SERVICES OR TELEPHONE OR
11 TELEGRAPH MESSAGES TRANSMITTED IN INTERSTATE COMMERCE, AT THE
12 RATE DETERMINED IN ACCORDANCE WITH SUBSECTION (D) FOR THE
13 FOLLOWING CALENDAR YEAR.

14 (D) THE SECRETARY OF REVENUE SHALL ESTABLISH A SURCHARGE
15 RATE BY ADDING THE TOTAL REDUCTION IN LIABILITIES REPORTED TO
16 THE DEPARTMENT UNDER SUBSECTIONS (A) AND (B) AND DIVIDING THE
17 SUM BY THE TOTAL AMOUNT OF TAXABLE GROSS RECEIPTS REPORTED TO
18 THE DEPARTMENT UNDER SECTION 1101, EXCEPT GROSS RECEIPTS FROM
19 PROVIDING MOBILE TELECOMMUNICATIONS SERVICES OR TELEPHONE OR
20 TELEGRAPH MESSAGES TRANSMITTED IN INTERSTATE COMMERCE, FOR THE
21 PRIOR CALENDAR YEAR OR SETTLED BY THE DEPARTMENT AS OF AUGUST 1
22 IN THE YEAR THE RETURN IS DUE. THE SURCHARGE RATE SHALL BE
23 ROUNDED TO FOUR DECIMAL PLACES, CERTIFIED BY THE SECRETARY OF
24 REVENUE TO THE APPROPRIATIONS COMMITTEE OF THE SENATE AND THE
25 APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES AND
26 PUBLISHED BY THE DEPARTMENT BY OCTOBER 1, 2003, AND BY EACH
27 OCTOBER 1 THEREAFTER IN THE PENNSYLVANIA BULLETIN.

28 (E) IF A SURCHARGE IS IMPOSED FOR A CALENDAR YEAR, THE
29 SECRETARY SHALL REQUIRE ENTITIES SUBJECT TO THE SURCHARGE TO
30 FILE A REPORT CONSISTENT WITH THE REQUIREMENTS OF SECTION 1101

1 BY MARCH 15 OF THAT CALENDAR YEAR.

2 (F) THE SURCHARGE IMPOSED BY SUBSECTION (C) SHALL BE PAID
3 WITHIN THE TIME PRESCRIBED BY LAW. PARTS III, IV, V, VI AND VII
4 OF ARTICLE IV ARE INCORPORATED BY REFERENCE INTO THIS SECTION
5 INSOFAR AS THEY ARE CONSISTENT WITH THIS SECTION AND APPLICABLE
6 TO THE SURCHARGE IMPOSED HEREUNDER.

7 SECTION 13. SECTIONS 1704-B, 1709-B(A) AND 1711-B OF THE
8 ACT, ADDED MAY 7, 1997 (P.L.85, NO.7), ARE AMENDED TO READ:

9 SECTION 1704-B. CARRYOVER, CARRYBACK, REFUND AND ASSIGNMENT
10 OF CREDIT.--(A) [THE AMOUNT OF THE RESEARCH AND DEVELOPMENT TAX
11 CREDIT THAT A TAXPAYER MAY USE AGAINST ANY ONE QUALIFIED TAX
12 LIABILITY DURING ANY YEAR MAY NOT EXCEED FIFTY PER CENT OF SUCH
13 QUALIFIED TAX LIABILITY FOR THAT TAXABLE YEAR.] IF THE TAXPAYER
14 CANNOT USE THE ENTIRE AMOUNT OF THE RESEARCH AND DEVELOPMENT TAX
15 CREDIT FOR THE TAXABLE YEAR IN WHICH THE RESEARCH AND
16 DEVELOPMENT TAX CREDIT IS FIRST APPROVED, THEN THE EXCESS MAY BE
17 CARRIED OVER TO SUCCEEDING TAXABLE YEARS AND USED AS A CREDIT
18 AGAINST THE QUALIFIED TAX LIABILITY OF THE TAXPAYER FOR THOSE
19 TAXABLE YEARS. EACH TIME THAT THE RESEARCH AND DEVELOPMENT TAX
20 CREDIT IS CARRIED OVER TO A SUCCEEDING TAXABLE YEAR, IT IS TO BE
21 REDUCED BY THE AMOUNT THAT WAS USED AS A CREDIT DURING THE
22 IMMEDIATELY PRECEDING TAXABLE YEAR. THE RESEARCH AND DEVELOPMENT
23 TAX CREDIT PROVIDED BY THIS ARTICLE MAY BE CARRIED OVER AND
24 APPLIED TO SUCCEEDING TAXABLE YEARS FOR NO MORE THAN FIFTEEN
25 TAXABLE YEARS FOLLOWING THE FIRST TAXABLE YEAR FOR WHICH THE
26 TAXPAYER WAS ENTITLED TO CLAIM THE CREDIT.

27 (B) A RESEARCH AND DEVELOPMENT TAX CREDIT APPROVED BY THE
28 DEPARTMENT FOR PENNSYLVANIA QUALIFIED RESEARCH AND DEVELOPMENT
29 EXPENSE IN A TAXABLE YEAR FIRST SHALL BE APPLIED AGAINST THE
30 TAXPAYER'S QUALIFIED TAX LIABILITY FOR THE CURRENT TAXABLE YEAR

1 AS OF THE DATE ON WHICH THE CREDIT WAS APPROVED BEFORE THE
2 RESEARCH AND DEVELOPMENT TAX CREDIT IS APPLIED AGAINST ANY TAX
3 LIABILITY UNDER SUBSECTION (A).

4 (C) A TAXPAYER IS NOT ENTITLED TO CARRY BACK[,] OR OBTAIN A
5 REFUND OF [OR ASSIGN] AN UNUSED RESEARCH AND DEVELOPMENT TAX
6 CREDIT.

7 (D) A TAXPAYER, UPON APPLICATION TO AND APPROVAL BY THE
8 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, MAY SELL OR
9 ASSIGN, IN WHOLE OR IN PART, A RESEARCH AND DEVELOPMENT TAX
10 CREDIT GRANTED TO THE TAXPAYER UNDER THIS ARTICLE IF NO CLAIM
11 FOR ALLOWANCE OF THE CREDIT IS FILED WITHIN ONE YEAR FROM THE
12 DATE THE CREDIT IS APPROVED BY THE DEPARTMENT UNDER SECTION
13 1703-B. THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
14 SHALL ESTABLISH GUIDELINES FOR THE APPROVAL OF APPLICATIONS
15 UNDER THIS SUBSECTION.

16 (E) THE PURCHASER OR ASSIGNEE OF A PORTION OF A RESEARCH AND
17 DEVELOPMENT TAX CREDIT UNDER SUBSECTION (D) SHALL IMMEDIATELY
18 CLAIM THE CREDIT IN THE TAXABLE YEAR IN WHICH THE PURCHASE OR
19 ASSIGNMENT IS MADE. THE AMOUNT OF THE RESEARCH AND DEVELOPMENT
20 CREDIT THAT A PURCHASER OR ASSIGNEE MAY USE AGAINST ANY ONE
21 QUALIFIED TAX LIABILITY MAY NOT EXCEED SEVENTY-FIVE PER CENT OF
22 SUCH QUALIFIED TAX LIABILITY FOR THE TAXABLE YEAR. THE PURCHASER
23 OR ASSIGNEE MAY NOT CARRY OVER, CARRY BACK, OBTAIN A REFUND OF
24 OR ASSIGN THE RESEARCH AND DEVELOPMENT TAX CREDIT. THE PURCHASER
25 OR ASSIGNEE SHALL NOTIFY THE DEPARTMENT OF THE SELLER OR
26 ASSIGNOR OF THE RESEARCH AND DEVELOPMENT TAX CREDIT IN
27 COMPLIANCE WITH PROCEDURES SPECIFIED BY THE DEPARTMENT.

28 SECTION 1709-B. LIMITATION ON CREDITS.--(A) THE TOTAL
29 AMOUNT OF CREDITS APPROVED BY THE DEPARTMENT SHALL NOT EXCEED
30 [FIFTEEN MILLION DOLLARS (\$15,000,000)] THIRTY MILLION DOLLARS

1 (\$30,000,000) IN ANY FISCAL YEAR. OF THAT AMOUNT, [THREE MILLION
2 DOLLARS (\$3,000,000)] SIX MILLION DOLLARS (\$6,000,000) SHALL BE
3 ALLOCATED EXCLUSIVELY FOR SMALL BUSINESSES. HOWEVER, IF THE
4 TOTAL AMOUNTS ALLOCATED TO EITHER THE GROUP OF APPLICANTS
5 EXCLUSIVE OF SMALL BUSINESSES OR THE GROUP OF SMALL BUSINESS
6 APPLICANTS IS NOT APPROVED IN ANY FISCAL YEAR, THE UNUSED
7 PORTION WILL BECOME AVAILABLE FOR USE BY THE OTHER GROUP OF
8 QUALIFYING TAXPAYERS.

9 * * *

10 SECTION 1711-B. REPORT TO GENERAL ASSEMBLY.--THE SECRETARY
11 SHALL SUBMIT AN ANNUAL REPORT TO THE GENERAL ASSEMBLY INDICATING
12 THE EFFECTIVENESS OF THE CREDIT PROVIDED BY THIS ARTICLE NO
13 LATER THAN MARCH 15 FOLLOWING THE YEAR IN WHICH THE CREDITS WERE
14 APPROVED. THE REPORT SHALL INCLUDE THE [NUMBER OF] NAMES OF ALL
15 TAXPAYERS UTILIZING THE CREDIT AS OF THE DATE OF THE REPORT AND
16 THE AMOUNT OF CREDITS APPROVED AND UTILIZED BY EACH TAXPAYER.
17 NOTWITHSTANDING ANY LAW PROVIDING FOR THE CONFIDENTIALITY OF TAX
18 RECORDS, THE INFORMATION CONTAINED IN THE REPORT SHALL BE PUBLIC
19 INFORMATION. THE REPORT MAY ALSO INCLUDE ANY RECOMMENDATIONS FOR
20 CHANGES IN THE CALCULATION OR ADMINISTRATION OF THE CREDIT.

21 SECTION 14. THE DEFINITION OF "TRANSFER OF PROPERTY FOR THE
22 SOLE USE" IN SECTION 2102 OF THE ACT, ADDED JUNE 29, 2002
23 (P.L.559, NO.89), IS AMENDED TO READ:

24 SECTION 2102. DEFINITIONS.--THE FOLLOWING WORDS, TERMS AND
25 PHRASES, WHEN USED IN THIS ARTICLE, SHALL HAVE THE MEANINGS
26 ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT
27 CLEARLY INDICATES A DIFFERENT MEANING, AND, UNLESS SPECIFICALLY
28 PROVIDED OTHERWISE, ANY REFERENCE IN THIS ARTICLE TO THE
29 INTERNAL REVENUE CODE OF 1986 SHALL MEAN THE INTERNAL REVENUE
30 CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 1 ET SEQ.) AS

1 AMENDED TO JUNE 1, 2001:

2 * * *

3 "TRANSFER OF PROPERTY FOR THE SOLE USE." A TRANSFER TO OR
4 FOR THE USE OF A TRANSFEREE IF, DURING THE TRANSFEREE'S
5 LIFETIME, THE TRANSFEREE IS ENTITLED TO ALL INCOME AND PRINCIPAL
6 DISTRIBUTIONS FROM THE PROPERTY AND NO PERSON, INCLUDING THE
7 TRANSFEREE, POSSESSES [A] AN INTER VIVOS POWER OF APPOINTMENT
8 OVER THE PROPERTY.

9 * * *

10 SECTION 14.1. SECTION 3003.2(A)(5), (B)(1) AND (4.2), (C)(5)
11 AND (G) OF THE ACT, AMENDED JUNE 29, 2002 (P.L.559, NO.89), ARE
12 AMENDED TO READ:

13 SECTION 3003.2. ESTIMATED TAX.--(A) THE FOLLOWING TAXPAYERS
14 ARE REQUIRED TO PAY ESTIMATED TAX:

15 * * *

16 (5) EVERY PERSON SUBJECT TO THE TAX IMPOSED BY ARTICLE XI OF
17 THIS ACT SHALL MAKE PAYMENTS OF ESTIMATED [UTILITIES] GROSS
18 RECEIPTS TAX DURING ITS TAXABLE YEAR.

19 (B) THE FOLLOWING WORDS, TERMS AND PHRASES WHEN USED IN
20 SECTIONS 3003.2 THROUGH 3003.4 OF THIS ARTICLE SHALL HAVE THE
21 FOLLOWING MEANINGS ASCRIBED TO THEM:

22 (1) "ESTIMATED TAX." ESTIMATED CORPORATE NET INCOME TAX,
23 ESTIMATED CAPITAL STOCK AND FRANCHISE TAX, ESTIMATED MUTUAL
24 THRIFT INSTITUTION TAX, ESTIMATED INSURANCE PREMIUMS TAX,
25 ESTIMATED [UTILITIES] GROSS RECEIPTS TAX OR ESTIMATED PUBLIC
26 UTILITY REALTY SURCHARGE.

27 * * *

28 (4.2) "ESTIMATED [UTILITIES] GROSS RECEIPTS TAX." THE
29 AMOUNT WHICH THE TAXPAYER ESTIMATES AS THE AMOUNT OF TAX IMPOSED
30 BY SECTION 1101 OF ARTICLE XI FOR THE TAXABLE YEAR.

1 * * *

2 (C) ESTIMATED TAX SHALL BE PAID AS FOLLOWS:

3 * * *

4 (5) PAYMENT OF THE ESTIMATED [UTILITIES] GROSS RECEIPTS TAX
5 SHALL BE MADE IN A SINGLE INSTALLMENT ON OR BEFORE THE FIFTEENTH
6 DAY OF MARCH OF THE TAXABLE YEAR. THE REMAINING PORTION OF THE
7 [UTILITIES] GROSS RECEIPTS TAX DUE, IF ANY, SHALL BE PAID UPON
8 THE DATE THE ANNUAL REPORT IS REQUIRED TO BE FILED WITHOUT
9 REFERENCE TO ANY EXTENSION OF TIME FOR FILING THE REPORT.

10 * * *

11 (G) FOR ALL PURPOSES OF SECTIONS 3003.2 THROUGH 3003.4 OF
12 THIS ARTICLE, ESTIMATED CORPORATE NET INCOME TAX, ESTIMATED
13 CAPITAL STOCK AND FRANCHISE TAX, ESTIMATED MUTUAL THRIFT
14 INSTITUTIONS TAX, ESTIMATED INSURANCE PREMIUMS TAX, ESTIMATED
15 [UTILITIES] GROSS RECEIPTS TAX AND ESTIMATED PUBLIC UTILITY
16 REALTY SURCHARGE SHALL BE SEPARATELY REPORTED, DETERMINED AND
17 TREATED.

18 * * *

19 SECTION 15. SECTION 3003.3(D) OF THE ACT, AMENDED MAY 7,
20 1997 (P.L.85, NO.7), IS AMENDED TO READ:

21 SECTION 3003.3. UNDERPAYMENT OF ESTIMATED TAX.--* * *

22 (D) NOTWITHSTANDING THE PROVISIONS OF THE PRECEDING
23 SUBSECTIONS, INTEREST WITH RESPECT TO ANY UNDERPAYMENT OF ANY
24 INSTALLMENT OF ESTIMATED TAX SHALL NOT BE IMPOSED IF THE TOTAL
25 AMOUNT OF ALL PAYMENTS OF ESTIMATED TAX MADE ON OR BEFORE THE
26 LAST DATE PRESCRIBED FOR THE PAYMENT OF SUCH INSTALLMENT EQUALS
27 OR EXCEEDS THE AMOUNT WHICH WOULD HAVE BEEN REQUIRED TO BE PAID
28 ON OR BEFORE SUCH DATE IF THE ESTIMATED TAX WERE AN AMOUNT EQUAL
29 TO THE TAX COMPUTED AT THE RATES APPLICABLE TO THE TAXABLE YEAR,
30 INCLUDING ANY MINIMUM TAX IMPOSED, BUT OTHERWISE ON THE BASIS OF

1 THE FACTS SHOWN ON THE REPORT OF THE TAXPAYER FOR, AND THE LAW
2 APPLICABLE TO, THE SAFE HARBOR BASE YEAR, ADJUSTED FOR ANY
3 CHANGES TO SECTIONS 401, 601 [AND], 602 AND 1101 ENACTED FOR THE
4 TAXABLE YEAR, IF A REPORT SHOWING A LIABILITY FOR TAX WAS FILED
5 BY THE TAXPAYER FOR THE SAFE HARBOR BASE YEAR. IF THE TOTAL
6 AMOUNT OF ALL PAYMENTS OF ESTIMATED TAX MADE ON OR BEFORE THE
7 LAST DATE PRESCRIBED FOR THE PAYMENT OF SUCH INSTALLMENT DOES
8 NOT EQUAL OR EXCEED THE AMOUNT REQUIRED TO BE PAID PER THE
9 PRECEDING SENTENCE, BUT SUCH AMOUNT IS PAID AFTER THE DATE THE
10 INSTALLMENT WAS REQUIRED TO BE PAID, THEN THE PERIOD OF
11 UNDERPAYMENT SHALL RUN FROM THE DATE THE INSTALLMENT WAS
12 REQUIRED TO BE PAID TO THE DATE THE AMOUNT REQUIRED TO BE PAID
13 PER THE PRECEDING SENTENCE IS PAID. PROVIDED, THAT IF THE
14 SETTLED TAX FOR THE SAFE HARBOR BASE YEAR EXCEEDS THE TAX SHOWN
15 ON SUCH REPORT BY TEN PER CENT OR MORE, THE SETTLED TAX ADJUSTED
16 TO REFLECT THE CURRENT TAX RATE SHALL BE USED FOR PURPOSES OF
17 THIS SUBSECTION, EXCEPT THAT, IF THE SETTLED TAX IS SUBSEQUENTLY
18 RESETTLED, THE AMOUNT OF TAX AS RESETTLED SHALL BE UTILIZED IN
19 THE APPLICATION OF THIS SUBSECTION WITHOUT THE NECESSITY OF THE
20 FILING OF ANY PETITION BY THE DEPARTMENT OR BY THE TAXPAYER. IN
21 THE EVENT THAT THE SETTLED OR RESETTLED TAX FOR THE SAFE HARBOR
22 BASE YEAR EXCEEDS THE TAX SHOWN ON THE REPORT BY TEN PER CENT OR
23 MORE, INTEREST RESULTING FROM THE UTILIZATION OF SUCH SETTLED OR
24 RESETTLED TAX IN THE APPLICATION OF THE PROVISIONS OF THIS
25 SUBSECTION SHALL NOT BE IMPOSED IF, WITHIN FORTY-FIVE DAYS OF
26 THE MAILING DATE OF SUCH SETTLEMENT OR RESETTLEMENT, PAYMENTS
27 ARE MADE SUCH THAT THE TOTAL AMOUNT OF ALL PAYMENTS OF ESTIMATED
28 TAX EQUALS OR EXCEEDS THE AMOUNT WHICH WOULD HAVE BEEN REQUIRED
29 TO BE PAID ON OR BEFORE SUCH DATE IF THE ESTIMATED TAX WERE AN
30 AMOUNT EQUAL TO SUCH SETTLED OR RESETTLED TAX ADJUSTED TO

1 REFLECT THE CURRENT TAX RATE. IN ANY CASE IN WHICH THE TAXABLE
2 YEAR FOR WHICH AN UNDERPAYMENT OF ESTIMATED TAX MAY EXIST IS A
3 SHORT TAXABLE YEAR, IN DETERMINING THE TAX SHOWN ON THE REPORT
4 OR THE SETTLED OR RESETTLED TAX FOR THE SAFE HARBOR BASE YEAR,
5 THE TAX WILL BE REDUCED BY MULTIPLYING IT BY THE RATIO OF THE
6 NUMBER OF INSTALLMENT PAYMENTS MADE IN THE SHORT TAXABLE YEAR TO
7 THE NUMBER OF INSTALLMENT PAYMENTS REQUIRED TO BE MADE FOR THE
8 FULL TAXABLE YEAR.

9 SECTION 16. THE ACT IS AMENDED BY ADDING SECTIONS TO READ:

10 SECTION 3003.15. TAX CLEARANCE FOR LICENSES, PERMITS AND
11 REGISTRATIONS.--(A) EXCEPT AS SET FORTH IN SUBSECTION (C), AN
12 APPLICANT FOR THE GRANT, RENEWAL OR TRANSFER OF ANY LICENSE
13 SHALL PROVIDE TO THE LICENSING AGENCY, UPON FORMS APPROVED BY
14 THE DEPARTMENT, THE FOLLOWING:

15 (1) THE APPLICANT'S STATE PERSONAL INCOME TAX IDENTIFICATION
16 NUMBER;

17 (2) THE APPLICANT'S STATE SALES TAX NUMBER;

18 (3) THE APPLICANT'S STATE CORPORATION TAX NUMBER;

19 (4) THE APPLICANT'S STATE EMPLOYER WITHHOLDING TAX NUMBER;

20 (5) THE APPLICANT'S UNEMPLOYMENT COMPENSATION ACCOUNT

21 NUMBER; AND

22 (6) A STATEMENT OF WHETHER:

23 (I) ALL STATE TAX REPORTS HAVE BEEN FILED AND ALL STATE
24 TAXES PAID;

25 (II) ALL STATE TAXES ARE SUBJECT TO A TIMELY ADMINISTRATIVE
26 OR JUDICIAL APPEAL; OR

27 (III) ALL STATE TAXES ARE SUBJECT TO A DULY APPROVED
28 DEFERRED PAYMENT PLAN.

29 (B) A LICENSE APPLICATION SHALL BE DEEMED TO BE INCOMPLETE
30 AND A LICENSING AGENCY SHALL NOT APPROVE ANY APPLICATION FOR THE

1 GRANT, RENEWAL OR TRANSFER OF ANY LICENSE WHEN A LICENSEE DOES
2 NOT PROVIDE THE INFORMATION REQUIRED BY SUBSECTION (A).

3 (C) AN APPLICANT FOR THE GRANT, RENEWAL OR TRANSFER OF A
4 LICENSE ISSUED BY THE PENNSYLVANIA SECURITIES COMMISSION SHALL
5 COMPLY WITH ANY REGULATION OR ORDER ADOPTED BY THE COMMISSION
6 FOR THE IMPLEMENTATION OF SUBSECTION (A).

7 (D) UPON THE FILING OF AN APPLICATION WITH A LICENSING
8 AGENCY FOR THE GRANT, RENEWAL OR TRANSFER OF ANY LICENSE, THE
9 APPLICANT WAIVES ANY CONFIDENTIALITY WITH RESPECT TO STATE TAX
10 INFORMATION REGARDING THE APPLICANT IN THE POSSESSION OF THE
11 DEPARTMENT, THE OFFICE OF ATTORNEY GENERAL OR THE DEPARTMENT OF
12 LABOR AND INDUSTRY, REGARDLESS OF THE SOURCE OF THAT INFORMATION
13 AND CONSENTS TO THE PROVISION OF THAT INFORMATION TO THE
14 LICENSING AGENCY BY THE DEPARTMENT, THE OFFICE OF ATTORNEY
15 GENERAL OR THE DEPARTMENT OF LABOR AND INDUSTRY.

16 (E) UPON RECEIPT OF ANY APPLICATION FOR THE GRANT, RENEWAL
17 OR TRANSFER OF ANY LICENSE, THE LICENSING AGENCY SHALL FORWARD
18 STATE TAX INFORMATION REGARDING THE APPLICANT TO THE DEPARTMENT,
19 THE OFFICE OF ATTORNEY GENERAL AND THE DEPARTMENT OF LABOR AND
20 INDUSTRY. THE LICENSING AGENCY, THE DEPARTMENT, THE OFFICE OF
21 ATTORNEY GENERAL AND THE DEPARTMENT OF LABOR AND INDUSTRY MAY
22 USE REASONABLE PARAMETERS IN DETERMINING WHETHER AN APPLICANT
23 HAS FILED REQUIRED STATE TAX REPORTS OR PAID STATE TAX DUE. IF A
24 STATE TAX IS DELINQUENT OR A REQUIRED REPORT HAS NOT BEEN FILED,
25 THE TAXING AGENCY SHALL ISSUE A NOTICE TO THE LICENSING AGENCY
26 AND TO THE LICENSEE OR APPLICANT AS PROVIDED IN SUBSECTION (F)
27 SPECIFYING THAT THE APPLICANT OR LICENSEE HAS NOT FILED THE
28 REQUIRED RETURN OR PAID A STATE TAX. FOR PURPOSES OF THIS
29 PARAGRAPH, A STATE TAX IS DELINQUENT WHEN IT IS SUBJECT TO
30 COLLECTION ACTION BY THE TAXING AGENCY AND IS NEITHER SUBJECT TO

1 A TIMELY ADMINISTRATIVE OR JUDICIAL APPEAL NOR SUBJECT TO A DULY
2 AUTHORIZED DEFERRED PAYMENT PLAN.

3 (F) NOTICE TO LICENSEE OR APPLICANT FOR LICENSE OR TRANSFER
4 OF LICENSE SHALL BE AS FOLLOWS:

5 (1) PRIOR TO THE ISSUANCE OF AN ORDER TO SUSPEND, TO NOT
6 RENEW OR TO DENY A LICENSE, THE APPLICABLE TAXING AGENCY SHALL
7 PROVIDE NOTICE TO THE APPLICANT OR LICENSEE AS SET FORTH IN
8 SUBSECTION (E). THE NOTICE MUST SPECIFY:

9 (I) ANY REPORTS WHICH MUST BE FILED AND ANY AMOUNTS OWED.

10 (II) HOW, WHEN AND WHERE THE NOTICE CAN BE CONTESTED.

11 (III) WHERE PAYMENT MAY BE MADE IN ORDER TO CURE THE STATE
12 TAX DELINQUENCY OR WHOM THE INDIVIDUAL MAY CONTACT TO ATTEMPT TO
13 ESTABLISH A PAYMENT PLAN.

14 (IV) THAT THE GROUNDS FOR CONTESTING THE NOTICE ARE LIMITED
15 TO MISTAKEN IDENTITY OF THE LICENSEE.

16 (V) THAT AN ORDER TO DENY AN APPLICATION FOR LICENSE OR
17 TRANSFER OR AUTOMATICALLY SUSPEND THE LICENSE WILL BE ISSUED
18 FORTY-FIVE DAYS AFTER ISSUANCE OF THE NOTICE UNLESS THE
19 DELINQUENT REPORT IS FILED, THE STATE TAX IS PAID OR A PAYMENT
20 PLAN IS APPROVED BY THE APPLICABLE TAXING AGENCY.

21 (2) AN AGREEMENT PROVIDING FOR A PERIODIC PAYMENT PLAN SHALL
22 SPECIFY THAT FAILURE TO COMPLY WITH THE SCHEDULE OF PAYMENTS
23 SHALL RESULT IN THE IMMEDIATE SUSPENSION, NONRENEWAL OR DENIAL
24 OF THE LICENSE WITHOUT FURTHER RIGHT TO A HEARING.

25 (3) TO CONTEST THE NOTICE OR OBTAIN A PAYMENT PLAN, THE
26 LICENSEE OR APPLICANT MUST CONTACT THE APPLICABLE TAXING AGENCY
27 NOT LATER THAN TWENTY DAYS AFTER ISSUANCE OF THE NOTICE. THE
28 GROUNDS FOR CONTESTING SHALL BE LIMITED TO MISTAKEN IDENTITY.
29 IF, AS DETERMINED BY THE TAXING AGENCY, A MISTAKE HAS OCCURRED,
30 THE NOTICE PROVIDED TO THE LICENSING AGENCY UNDER SUBSECTION (E)

1 SHALL BE MODIFIED ACCORDINGLY WITHIN TWENTY DAYS OF THE
2 APPROPRIATE TAXING AGENCY BEING CONTACTED.

3 (G) A PERSON THAT PRACTICES A TRADE, PROFESSION OR
4 OCCUPATION OR CONDUCTS A BUSINESS ACTIVITY WITHOUT A LICENSE
5 UNDER THIS SECTION SHALL BE GUILTY OF A MISDEMEANOR. THE PENALTY
6 IMPOSED UNDER THIS SECTION SHALL BE IN ADDITION TO ANY OTHER
7 PENALTY IMPOSED BY LAW.

8 (H) IF DURING THE EFFECTIVE PERIOD OF ANY LICENSE, THE
9 LICENSEE FAILS TO FILE ANY REQUIRED STATE TAX REPORT, FAILS TO
10 PAY ANY COLLECTIBLE STATE TAX DUE OR DEFAULTS IN A DEFERRED
11 PAYMENT PLAN, THE DEPARTMENT, THE OFFICE OF ATTORNEY GENERAL OR
12 THE DEPARTMENT OF LABOR AND INDUSTRY, AFTER COMPLYING WITH
13 SUBSECTION (F), MAY NOTIFY THE LICENSING AGENCY WHICH SHALL
14 SUSPEND OR NOT RENEW ANY LICENSE ISSUED TO THE LICENSEE.
15 NOTWITHSTANDING THE PROVISIONS OF ANY OTHER STATUTE, THE LICENSE
16 SUSPENSION OR NONRENEWAL SHALL BE FOR AN INDEFINITE PERIOD OF
17 TIME AND SHALL REMAIN IN EFFECT UNTIL THE LICENSEE FILES THE
18 REQUIRED REPORTS, PAYS THE STATE TAX DUE OR CURES THE DEFERRED
19 PAYMENT PLAN DEFAULT.

20 (I) THE APPROPRIATE TAXING AGENCY MAY STAY THE PROCESS FOR
21 SUSPENSION, NONRENEWAL OR DENIAL BEYOND THE NOTICE PERIOD
22 SPECIFIED IN SUBSECTION (F)(1)(V) IF ADDITIONAL TIME IS REQUIRED
23 FOR IT TO PROCESS A CASE OR REACH A PAYMENT PLAN WITH THE
24 LICENSEE. THE TAXING AGENCY SHALL NOTIFY THE LICENSING AGENCY OF
25 THE INTENT TO STAY THE SUSPENSION, NONRENEWAL OR DENIAL AT LEAST
26 FIVE WORKING DAYS BEFORE THE NOTICE PERIOD HAS EXPIRED.

27 (J) A LICENSING AGENCY MAY MAKE A DETERMINATION THAT A
28 LICENSE IS VITAL TO PREVENT AN IMMEDIATE THREAT TO THE HEALTH,
29 SAFETY AND WELFARE OF THE PUBLIC. THE LICENSING AGENCY SHALL
30 NOTIFY THE APPLICABLE TAXING AGENCY OF THE DETERMINATION. IF

1 THIS DETERMINATION IS MADE, THE LICENSING AGENCY MAY USE ITS
2 DISCRETION TO RENEW A LICENSE OR NOT SUSPEND A LICENSE BUT MAY
3 NOT GRANT A LICENSE TO A NEW APPLICANT UNTIL THE APPLICANT FILES
4 THE REQUIRED REPORTS, PAYS THE STATE TAX DUE OR CURES THE
5 DEFERRED PAYMENT PLAN DEFAULT.

6 (K) THE PROVISIONS OF THIS SECTION SHALL ALSO BE APPLICABLE
7 TO ANY MANAGEMENT COMPANY UTILIZED BY THE APPLICANT.

8 (L) FOR THE PURPOSE OF THIS SECTION, THE FOLLOWING WORDS AND
9 PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SUBSECTION
10 UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

11 "APPLICANT." A PERSON THAT APPLIES TO A LICENSING AGENCY FOR
12 A LICENSE OR APPLIES FOR RENEWAL OR IN THE CASE OF THE TRANSFER
13 OF AN EXISTING LICENSE, THE TRANSFEROR OR THE TRANSFEREE.

14 "DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.

15 "LICENSE." A LICENSE, PERMIT OR REGISTRATION GRANTED OR
16 ISSUED BY A LICENSING AGENCY THAT CONFERS BENEFITS, PRIVILEGES
17 OR RIGHTS TO THE LICENSEE, PERMIT HOLDER OR REGISTRANT TO
18 PRACTICE A TRADE, PROFESSION OR OCCUPATION OR TO CONDUCT A
19 BUSINESS ACTIVITY WITHIN THIS COMMONWEALTH.

20 "LICENSING AGENCY." THE DEPARTMENT OF REVENUE, THE
21 DEPARTMENT OF LABOR AND INDUSTRY, THE DEPARTMENT OF
22 ENVIRONMENTAL PROTECTION, THE DEPARTMENT OF BANKING, THE
23 DEPARTMENT OF STATE, THE INSURANCE DEPARTMENT OR THE
24 PENNSYLVANIA SECURITIES COMMISSION.

25 "STATE TAX." A TAX LIABILITY, INCLUDING INTEREST, PENALTY
26 AND ADDITIONS OF A TAXPAYER, LICENSEE, EMPLOYER OR OTHER PERSON
27 IMPOSED UNDER THIS ACT, THE ACT OF DECEMBER 5, 1936 (2ND
28 SP.SESS., 1937 P.L.2897, NO.1), KNOWN AS THE "UNEMPLOYMENT
29 COMPENSATION LAW," OR 75 PA.C.S. § 9014 (RELATING TO COLLECTION
30 OF UNPAID TAXES).

1 "TAXING AGENCY." THE DEPARTMENT OF REVENUE OR THE DEPARTMENT
2 OF LABOR AND INDUSTRY.

3 SECTION 3003.16. AUTHORITY TO ATTACH WAGES, COMMISSIONS AND
4 OTHER EARNINGS.--(A) THE DEPARTMENT OF REVENUE MAY, UPON THE
5 PRESENTATION OF A WRITTEN NOTICE AND DEMAND CERTIFYING THAT THE
6 INFORMATION CONTAINED WITHIN IS TRUE AND CORRECT AND CONTAINING
7 THE NAME OF THE TAXPAYER AND THE AMOUNT OF DELINQUENT STATE TAX
8 DUE PLUS THE DEPARTMENT'S COSTS, DEMAND, RECEIVE AND COLLECT THE
9 AMOUNT FROM ANY ENTITY:

10 (1) EMPLOYING PERSONS OWING DELINQUENT STATE TAXES; OR

11 (2) HAVING IN ITS POSSESSION UNPAID COMMISSIONS OR EARNINGS
12 BELONGING TO ANY PERSON OR PERSONS OWING DELINQUENT STATE TAXES.

13 (B) SUBJECT TO THE LIMITATIONS IN SUBSECTION (C), UPON THE
14 RECEIPT OF A WRITTEN NOTICE AND DEMAND PURSUANT TO SUBSECTION

15 (A), AN ENTITY SHALL DEDUCT FROM THE WAGES OF AN INDIVIDUAL
16 EMPLOYEE THE AMOUNT SHOWN ON THE NOTICE AND SHALL FORWARD THE
17 AMOUNT TO THE DEPARTMENT WITHIN SIXTY DAYS AFTER RECEIPT OF THE
18 NOTICE.

19 (C) NO MORE THAN TEN PER CENT OF THE WAGES OF AN INDIVIDUAL
20 EMPLOYEE WHO IS A DELINQUENT TAXPAYER MAY BE DEDUCTED AT ANY ONE
21 TIME FOR DELINQUENT STATE TAXES AND COSTS. THE ENTITY IS
22 ENTITLED TO DEDUCT FROM THE AMOUNT COLLECTED FROM THE INDIVIDUAL
23 EMPLOYEE THE COSTS INCURRED BY THE ENTITY FOR THE EXTRA
24 BOOKKEEPING NECESSARY TO RECORD THE TRANSACTIONS, BUT NOT TO
25 EXCEED TWO PER CENT OF THE AMOUNT COLLECTED FROM THE INDIVIDUAL
26 EMPLOYEE.

27 (D) UPON THE FAILURE OF AN ENTITY TO DEDUCT OR FORWARD AN
28 AMOUNT REQUIRED UNDER THIS SECTION WITHIN THE TIME PERIOD
29 REQUIRED UNDER SUBSECTION (B), THE ENTITY SHALL PAY THE AMOUNT
30 OF THE DELINQUENT STATE TAX AND COSTS FOR EACH INDIVIDUAL

1 EMPLOYEE WHO IS A DELINQUENT TAXPAYER SUBJECT TO A DEMAND IN
2 ADDITION TO A PENALTY OF TEN PER CENT OF THE DELINQUENT STATE
3 TAX AND COSTS. AN ENTITY PAYING DELINQUENT TAXES, COSTS AND A
4 PENALTY PURSUANT TO THIS SUBSECTION SHALL NOT HAVE THE BENEFIT
5 OF ANY STAY OF EXECUTION OR EXEMPTION LAW.

6 (E) THE FOLLOWING WORDS, TERMS AND PHRASES, WHEN USED IN
7 THIS SECTION, SHALL HAVE THE MEANING ASCRIBED TO THEM IN THIS
8 SECTION, EXCEPT WHERE THE CONTEXT CLEARLY INDICATES A DIFFERENT
9 MEANING:

10 "ENTITY." THE UNITED STATES, THE COMMONWEALTH OR ANY OF ITS
11 POLITICAL SUBDIVISIONS, A CORPORATION, AN ASSOCIATION, A
12 COMPANY, A FIRM OR AN INDIVIDUAL.

13 "WAGES." ANY WAGES, COMMISSIONS OR EARNINGS OF AN INDIVIDUAL
14 EMPLOYEE:

15 (1) WHICH ARE CURRENTLY OWED TO THE INDIVIDUAL EMPLOYEE;

16 (2) WHICH SHALL BECOME DUE WITHIN SIXTY DAYS OF RECEIPT OF A
17 WRITTEN NOTICE AND DEMAND PURSUANT TO SUBSECTION (B);

18 (3) ANY UNPAID COMMISSIONS OR EARNINGS OF AN INDIVIDUAL
19 EMPLOYEE IN THE ENTITY'S POSSESSION; OR

20 (4) ANY UNPAID COMMISSIONS OR EARNINGS OF AN INDIVIDUAL
21 EMPLOYEE THAT COMES INTO THE ENTITY'S POSSESSION WITHIN SIXTY
22 DAYS OF RECEIPT OF A WRITTEN NOTICE AND DEMAND PURSUANT TO
23 SUBSECTION (A).

24 SECTION 3003.17. KEYSTONE OPPORTUNITY ZONES.--(A)
25 NOTWITHSTANDING SECTION 301.1(E) OF THE ACT OF OCTOBER 6, 1998
26 (P.L.705, NO.92), KNOWN AS THE "KEYSTONE OPPORTUNITY ZONE AND
27 KEYSTONE OPPORTUNITY EXPANSION ZONE ACT," THE LAST DATE FOR THE
28 PASSING OF ORDINANCES, RESOLUTIONS OR OTHER REQUIRED ACTION OF A
29 QUALIFIED POLITICAL SUBDIVISION SEEKING TO ENHANCE THE SIZE OF
30 AN APPROVED EXPANSION SUBZONE WITHIN ITS JURISDICTION UNDER THAT

1 ACT FOR THE TAX EXEMPTIONS, DEDUCTIONS, ABATEMENTS OR CREDITS
2 SET FORTH IN CHAPTERS 5 AND 7 OF THAT ACT SHALL BE NINETY DAYS
3 AFTER THE EFFECTIVE DATE OF THIS SECTION.

4 (B) NOTWITHSTANDING SECTION 301.2(C) OF THE "KEYSTONE
5 OPPORTUNITY ZONE AND KEYSTONE OPPORTUNITY EXPANSION ZONE ACT,"
6 THE LAST DATE FOR THE FILING BY A POLITICAL SUBDIVISION FOR
7 APPROVAL OF THE DESIGNATION OF A DETERIORATED PROPERTY AS AN
8 IMPROVEMENT SUBZONE UNDER THAT ACT FOR THE TAX EXEMPTIONS,
9 DEDUCTIONS, ABATEMENTS OR CREDITS SET FORTH IN CHAPTERS 5 AND 7
10 OF THAT ACT SHALL BE TWO HUNDRED AND TWENTY DAYS AFTER THE
11 EFFECTIVE DATE OF THIS SECTION.

12 (C) NOTWITHSTANDING SECTION 303(A) OF THE "KEYSTONE
13 OPPORTUNITY ZONE AND KEYSTONE OPPORTUNITY EXPANSION ZONE ACT,"
14 AN APPLICATION FOR ENHANCEMENT OF AN EXISTING KEYSTONE
15 OPPORTUNITY ZONE OR OF AN EXISTING KEYSTONE OPPORTUNITY
16 EXPANSION ZONE UNDER THAT ACT FOR THE TAX EXEMPTIONS,
17 DEDUCTIONS, ABATEMENTS OR CREDITS SET FORTH IN CHAPTERS 5 AND 7
18 OF THAT ACT MUST BE RECEIVED BY THE DEPARTMENT BY DECEMBER 31,
19 2003.

20 (D) NOTWITHSTANDING SECTION 303(C) OF THE "KEYSTONE
21 OPPORTUNITY ZONE AND KEYSTONE OPPORTUNITY EXPANSION ZONE ACT,"
22 THE DEPARTMENT SHALL DESIGNATE ALL ENHANCEMENTS TO EXISTING
23 KEYSTONE OPPORTUNITY ZONES AND KEYSTONE OPPORTUNITY EXPANSION
24 ZONES UNDER THAT ACT FOR THE TAX EXEMPTIONS, DEDUCTIONS,
25 ABATEMENTS OR CREDITS SET FORTH IN CHAPTERS 5 AND 7 OF THAT ACT
26 BY MARCH 30, 2004.

27 (E) AS USED IN THIS SECTION, THE FOLLOWING WORDS AND PHRASES
28 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SUBSECTION:

29 "DEPARTMENT." THE DEPARTMENT OF COMMUNITY AND ECONOMIC
30 DEVELOPMENT OF THE COMMONWEALTH.

1 "DETERIORATED PROPERTY." AS DEFINED IN SECTION 103 OF THE
2 "KEYSTONE OPPORTUNITY ZONE AND KEYSTONE OPPORTUNITY EXPANSION
3 ZONE ACT."

4 "EXPANSION SUBZONE." AS DEFINED IN SECTION 103 OF THE
5 "KEYSTONE OPPORTUNITY ZONE AND KEYSTONE OPPORTUNITY EXPANSION
6 ZONE ACT."

7 "IMPROVEMENT ZONE." AS DEFINED IN SECTION 103 OF THE
8 "KEYSTONE OPPORTUNITY ZONE AND KEYSTONE OPPORTUNITY EXPANSION
9 ZONE ACT."

10 "KEYSTONE OPPORTUNITY EXPANSION ZONE." AS DEFINED IN SECTION
11 103 OF THE "KEYSTONE OPPORTUNITY ZONE AND KEYSTONE OPPORTUNITY
12 EXPANSION ZONE ACT."

13 "KEYSTONE OPPORTUNITY ZONE." AS DEFINED IN SECTION 103 OF
14 THE "KEYSTONE OPPORTUNITY ZONE AND KEYSTONE OPPORTUNITY
15 EXPANSION ZONE ACT."

16 "POLITICAL SUBDIVISION." AS DEFINED IN SECTION 103 OF THE
17 "KEYSTONE OPPORTUNITY ZONE AND KEYSTONE OPPORTUNITY EXPANSION
18 ZONE ACT."

19 "QUALIFIED POLITICAL SUBDIVISION." AS DEFINED IN SECTION 103
20 OF THE "KEYSTONE OPPORTUNITY ZONE AND KEYSTONE OPPORTUNITY
21 EXPANSION ZONE ACT."

22 SECTION 17. THE FOLLOWING SHALL APPLY:

23 (1) UPON HIS DETERMINATION OF NEED, THE GOVERNOR MAY
24 CERTIFY SIMULTANEOUSLY TO THE PRESIDENT PRO TEMPORE OF THE
25 SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE
26 SECRETARY OF REVENUE THAT THE BALANCE IN THE BUDGET
27 STABILIZATION RESERVE FUND IS LESS THAN \$500,000 AND THAT
28 REVENUES FROM THE TAXES AUTHORIZED BY THE AMENDMENT OF
29 SECTION 1101 OF THE ACT ARE NECESSARY TO UPHOLD THE
30 COMMONWEALTH'S CONSTITUTIONAL RESPONSIBILITY TO PROVIDE FOR

1 THE MAINTENANCE AND SUPPORT OF A THOROUGH AND EFFICIENT
2 SYSTEM OF PUBLIC EDUCATION. UPON THE GOVERNOR'S
3 CERTIFICATION, THE SECRETARY OF REVENUE SHALL CERTIFY THE
4 DATE THAT THE TAXES ON THE PROVIDERS OF INTERSTATE TELEPHONE
5 SERVICE AND MOBILE TELECOMMUNICATIONS SERVICE AUTHORIZED
6 UNDER THE AMENDMENT OF SECTION 1101 OF THE ACT SHALL APPLY.
7 THE CERTIFIED DATE SHALL BE AS SOON AS PRACTICABLE FOLLOWING
8 CERTIFICATION OF THE GOVERNOR, BUT IN NO EVENT BEFORE JANUARY
9 1, 2004.

10 (2) A NOTICE OF THE SECRETARY OF REVENUE'S CERTIFICATION
11 SHALL BE PUBLISHED IN THE PENNSYLVANIA BULLETIN.

12 SECTION 18. THE FOLLOWING ACTS AND PARTS OF ACTS ARE
13 REPEALED:

14 (1) SECTION 1702-A(B) OF THE ACT OF APRIL 9, 1929
15 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE.

16 (2) THE PROVISIONS OF 74 PA.C.S. § 1310.1(A).

17 SECTION 19. THIS ACT SHALL APPLY AS FOLLOWS:

18 (1) THE AMENDMENT OF SECTION 201(D)(17) OF THE ACT SHALL
19 APPLY TO SALES AT RETAIL OR USES OCCURRING ON OR AFTER THE
20 DATE CERTIFIED BY THE SECRETARY OF REVENUE UNDER SECTION 17
21 OF THIS ACT.

22 (2) THE AMENDMENT OF SECTION 301(K) OF THE ACT SHALL
23 APPLY TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2003.

24 (3) THE AMENDMENT OF SECTION 330 OF THE ACT SHALL APPLY
25 RETROACTIVELY TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31,
26 2001.

27 (4) THE AMENDMENT OF SECTION 335 OF THE ACT SHALL APPLY
28 TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2003.

29 (5) THE AMENDMENT OF THE DEFINITION OF "CORPORATION" IN
30 SECTION 601(A) OF THE ACT SHALL APPLY RETROACTIVELY TO JUNE

1 29, 2002.

2 (6) THE AMENDMENT OF SECTION 1101 OF THE ACT SHALL APPLY
3 TO GROSS RECEIPTS DERIVED FROM TRANSACTIONS OCCURRING ON OR
4 AFTER THE DATE CERTIFIED BY THE SECRETARY OF REVENUE UNDER
5 SECTION 17 OF THIS ACT.

6 (7) THE AMENDMENT OF SECTION 1704-B(A) OF THE ACT SHALL
7 APPLY TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2003.

8 (8) THE AMENDMENT OR ADDITION OF SECTION 1704-B(C), (D)
9 AND (E) OF THE ACT SHALL APPLY TO CREDITS AWARDED AFTER
10 DECEMBER 31, 2002.

11 (9) THE AMENDMENT OF SECTION 1709-B(A) OF THE ACT SHALL
12 APPLY TO CREDITS AWARDED AFTER DECEMBER 31, 2003.

13 (10) THE AMENDMENT OF SECTION 1711-B OF THE ACT SHALL
14 APPLY TO CREDITS AWARDED AFTER DECEMBER 31, 2002.

15 (11) SECTION 18(1)(REPEAL OF SECTION 1702-A(B) OF THE
16 FISCAL CODE) OF THIS ACT SHALL APPLY RETROACTIVELY TO JUNE
17 30, 2003.

18 (12) THE AMENDMENT OF THE DEFINITION OF "TRANSFER OF
19 PROPERTY FOR THE SOLE USE" IN SECTION 2102 OF THE ACT SHALL
20 APPLY RETROACTIVELY TO JUNE 29, 2002.

21 (13) THE ADDITION OF SECTION 3003.15 OF THE ACT SHALL
22 APPLY TO APPLICATIONS FOR THE GRANT, RENEWAL OR TRANSFER OF
23 ANY LICENSE RECEIVED MORE THAN 60 DAYS AFTER THE EFFECTIVE
24 DATE OF THIS SECTION.

25 SECTION 20. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.