THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 763

Session of 2003

INTRODUCED BY PICCOLA, EARLL, D. WHITE, ROBBINS, JUBELIRER, BRIGHTBILL, WAUGH, ERICKSON, ORIE, WAGNER, MUSTO, TARTAGLIONE, KITCHEN, M. WHITE, PUNT, MELLOW, HELFRICK, A. WILLIAMS, CORMAN, RHOADES, PILEGGI, ARMSTRONG, RAFFERTY, FERLO, LEMMOND, COSTA, O'PAKE, MOWERY, WENGER, FUMO, THOMPSON, TOMLINSON, MADIGAN, DENT, WONDERLING, GREENLEAF, CONTI, STACK, KASUNIC, SCARNATI AND C. WILLIAMS, MAY 16, 2003

SENATOR EARLL, FINANCE, AS AMENDED, OCTOBER 27, 2003

AN ACT

- Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An act relating to tax reform and State taxation by codifying 3 and enumerating certain subjects of taxation and imposing taxes thereon; providing procedures for the payment, collection, administration and enforcement thereof; providing for tax credits in certain cases; conferring powers and 7 imposing duties upon the Department of Revenue, certain employers, fiduciaries, individuals, persons, corporations 9 and other entities; prescribing crimes, offenses and penalties, "further providing for income tax returns and 10 11 liability.
- 12 The General Assembly of the Commonwealth of Pennsylvania
- 13 hereby enacts as follows:
- 14 Section 1. Section 330(b) of the act of March 4, 1971
- 15 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended
- 16 March 26, 1991 (P.L.5, No.3), is amended to read:
- 17 Section 330. Returns and Liability.--* * *
- 18 (b) (1) In the case of an individual serving in the armed
- 19 forces of the United States in an area designated by the
- 20 President of the United States by Executive order as a "combat

- 1 [zone"] ZONE, " AS DESCRIBED IN SECTION 7508 OF THE INTERNAL
- 2 REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 7508), at
- 3 any time during the period designated by the President by
- 4 Executive order as the period of combatant activities in the
- 5 combat zone or hospitalized as a result of injury received while
- 6 serving in the combat zone during such time, or an individual
- 7 serving in the armed forces in an area designated by the
- 8 President or Congress as a qualified hazardous duty area and
- 9 <u>thereby treated as a combat zone under section 112 of the</u>
- 10 <u>Internal Revenue Code of 1986 (Public Law 99 514, 26 U.S.C. §</u>
- 11 $\frac{112}{1}$ or an individual serving in a military capacity as a
- 12 result of a Federal callup to active duty or civilian capacity
- 13 outside the boundary of this Commonwealth in support of such
- 14 armed forces, the period of service in such area, plus the
- 15 period of qualified continuous hospitalization attributable to
- 16 such injury, and the next one hundred eighty days thereafter
- 17 shall be disregarded in determining, under this article, in
- 18 respect of any tax liability, including any interest, penalty,
- 19 additional amount or addition to the tax of such individual:
- 20 (i) Whether any of the following acts were performed within
- 21 the time prescribed therefor:
- 22 (A) Filing any return of income tax, except income tax
- 23 withheld at source;
- 24 (B) Payment of any income tax, except income tax withheld at
- 25 source or any installment thereof or of any other liability to
- 26 the Commonwealth in respect thereof;
- 27 (C) Filing a petition for redetermination of a deficiency or
- 28 for review of a decision rendered by the department;
- 29 (D) Allowance of a credit or refund of any tax;
- 30 (E) Filing a claim for credit or refund of any tax;

- 1 (F) Bringing suit upon any such claim for credit or refund;
- 2 (G) Assessment of any tax;
- 3 (H) Giving or making any notice or demand for the payment of
- 4 any tax or with respect to any liability to the Commonwealth in
- 5 respect of any tax;
- 6 (I) Collection by the department, by levy or otherwise, of
- 7 the amount of any liability in respect of any tax;
- 8 (J) Bringing suit by the Commonwealth, or any officer on its
- 9 behalf, in respect of any liability in respect of any tax; and
- 10 (K) Any other act required or permitted under this article
- 11 specified in regulations prescribed by the department;
- 12 (ii) The amount of any credit or refund, including interest.
- 13 (2) The provisions of this subsection shall apply to the
- 14 spouse of any individual entitled to the benefits of paragraph
- 15 (1). This paragraph shall not cause this subsection to apply for
- 16 any spouse for any taxable year beginning more than one year
- 17 after the date of termination of combatant activities in a
- 18 combat zone.
- 19 (3) The period of service in the area referred to in this
- 20 subsection shall include the period during which an individual
- 21 entitled to benefits under this subsection is in a missing
- 22 status.
- 23 (4) In the event that any qualified individual under
- 24 paragraph (1) is killed while serving in the combat zone, the
- 25 tax liability of that decedent for both the year of death and
- 26 the immediate prior year shall be waived by the Commonwealth.
- 27 (5) For purposes of paragraph (1), the phrase "period of
- 28 qualified continuous hospitalization" shall mean:
- 29 (i) any hospitalization outside the United States; and
- 30 (ii) any hospitalization inside the United States.

- 1 Section 2. There shall be no penalty for failure to timely
- 2 file or timely pay income tax for tax year 2002 for those
- 3 individuals who qualify under section 330 of the act, prior to
- 4 the effective date of this act.
- 5 Section 3. The amendment of section 330 of the act shall
- 6 apply to tax years beginning after December 31, 2001.
- 7 Section 4. This act shall take effect immediately.