

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1782 Session of
2007

INTRODUCED BY CUTLER, MELIO, FAIRCHILD, LENTZ, BAKER, BARRAR, BASTIAN, BEAR, BENNINGHOFF, BEYER, BLACKWELL, BOBACK, BOYD, BRENNAN, BROOKS, CALTAGIRONE, CAPPELLI, CARROLL, CASORIO, CAUSER, CLYMER, CONKLIN, COX, CREIGHTON, CRUZ, CURRY, DALEY, DeLUCA, DENLINGER, DePASQUALE, DERMODY, EVERETT, FLECK, FRANKEL, FREEMAN, GABIG, GALLOWAY, GEORGE, GERBER, GERGELY, GIBBONS, GINGRICH, GODSHALL, GOODMAN, GRUCELA, HALUSKA, HARPER, HARRIS, HELM, HENNESSEY, HERSHEY, HICKERNELL, HORNAMAN, HUTCHINSON, JAMES, JOSEPHS, KAUFFMAN, W. KELLER, KENNEY, KESSLER, KING, KORTZ, KOTIK, KULA, LONGIETTI, MACKERETH, MAHER, MAHONEY, MAJOR, MANN, MANTZ, MARKOSEK, MARSHALL, McILHATTAN, MENSCH, METCALFE, MILLARD, MILNE, MOUL, MOYER, MURT, MUSTIO, MYERS, NICKOL, M. O'BRIEN, PALLONE, PARKER, PASHINSKI, PAYNE, PAYTON, PEIFER, PERZEL, PETRARCA, PETRI, PETRONE, PICKETT, PRESTON, PYLE, QUIGLEY, QUINN, RAMALEY, RAYMOND, READSHAW, REED, REICHLEY, ROAE, ROCK, ROHRER, SABATINA, SAINATO, SANTONI, SAYLOR, SCHRODER, SEIP, SHAPIRO, SHIMKUS, SIPTROTH, McILVAINE SMITH, K. SMITH, SOLOBAY, STAIRS, R. STEVENSON, STURLA, SWANGER, TANGRETTI, R. TAYLOR, TRUE, TURZAI, VEREB, VITALI, VULAKOVICH, WAGNER, WALKO, WANSACZ, WATSON, WHEATLEY, WILLIAMS, YEWCIC, YOUNGBLOOD, STERN, RUBLEY AND ADOLPH, JULY 6, 2007

REFERRED TO COMMITTEE ON FINANCE, JULY 6, 2007

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 requirement of withholding
11 tax.

12 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 Section 1. Section 316 of the act of March 4, 1971 (P.L.6,
3 No.2), known as the Tax Reform Code of 1971, added August 31,
4 1971 (P.L.362, No.93), is amended to read:

5 Section 316. Requirement of Withholding Tax.--[Every] (a)
6 Except as provided under subsection (b), every employer
7 maintaining an office or transacting business within this
8 Commonwealth and making payment of compensation [(i)] (1) to a
9 resident individual, or [(ii)] (2) to a nonresident individual
10 taxpayer performing services on behalf of such employer within
11 this Commonwealth, shall deduct and withhold from such
12 compensation for each payroll period a tax computed in such
13 manner as to result, so far as practicable, in withholding from
14 the employee's compensation during each calendar year an amount
15 substantially equivalent to the tax reasonably estimated to be
16 due for such year with respect to such compensation. The method
17 of determining the amount to be withheld shall be prescribed by
18 regulations of the department.

19 (b) Subsection (a) shall not apply to the withholding of tax
20 from compensation of any resident or nonresident individual
21 serving in the armed forces of the United States in an area
22 designated by the President of the United States by Executive
23 Order as a combat zone as described under section 7508 of the
24 Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §
25 7508), as amended, at any time during the period designated by
26 the President by Executive Order as the period of combatant
27 activities in the combat zone or hospitalized as a result of
28 injury received while serving in the combat zone during such
29 time.

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