

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1378 Session of 2015

INTRODUCED BY MILNE, MILLARD, MURT, COHEN AND COX, JUNE 28, 2015

REFERRED TO COMMITTEE ON FINANCE, JUNE 28, 2015

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled,
 2 as amended, "An act relating to the finances of the State
 3 government; providing for the settlement, assessment,
 4 collection, and lien of taxes, bonus, and all other accounts
 5 due the Commonwealth, the collection and recovery of fees and
 6 other money or property due or belonging to the Commonwealth,
 7 or any agency thereof, including escheated property and the
 8 proceeds of its sale, the custody and disbursement or other
 9 disposition of funds and securities belonging to or in the
 10 possession of the Commonwealth, and the settlement of claims
 11 against the Commonwealth, the resettlement of accounts and
 12 appeals to the courts, refunds of moneys erroneously paid to
 13 the Commonwealth, auditing the accounts of the Commonwealth
 14 and all agencies thereof, of all public officers collecting
 15 moneys payable to the Commonwealth, or any agency thereof,
 16 and all receipts of appropriations from the Commonwealth,
 17 authorizing the Commonwealth to issue tax anticipation notes
 18 to defray current expenses, implementing the provisions of
 19 section 7(a) of Article VIII of the Constitution of
 20 Pennsylvania authorizing and restricting the incurring of
 21 certain debt and imposing penalties; affecting every
 22 department, board, commission, and officer of the State
 23 government, every political subdivision of the State, and
 24 certain officers of such subdivisions, every person,
 25 association, and corporation required to pay, assess, or
 26 collect taxes, or to make returns or reports under the laws
 27 imposing taxes for State purposes, or to pay license fees or
 28 other moneys to the Commonwealth, or any agency thereof,
 29 every State depository and every debtor or creditor of the
 30 Commonwealth," in general budget implementation, further
 31 providing for the Department of Revenue.

32 The General Assembly of the Commonwealth of Pennsylvania
 33 hereby enacts as follows:

Section 1. Section 1730-E of the act of April 9, 1929
(P.L.343, No.176), known as The Fiscal Code, added July 17, 2007
(P.L.141, No.42), is amended to read:

Section 1730-E. Department of Revenue [(Reserved)].

The following shall apply to appropriations for the
Department of Revenue in the General Appropriation Act:

(1) The Enhanced Revenue Collection Account within the
General Fund is continued through fiscal year 2019-2020.
Revenues collected and the amount of refunds avoided as a
result of expanded tax return reviews and tax collection
activities shall be deposited into the account. The following
shall apply:

(i) Of the funds in the account, for each of the
fiscal years 2014-2015 through 2019-2020, up to
\$25,000,000 is appropriated to the department to fund the
costs associated with increased tax collection
enforcement and reduction in tax refund errors. The
balance of the funds in the account on June 15, 2015, and
each June 15 thereafter, shall be transferred to the
General Fund or another authorized fund.

(ii) The department shall issue a report to the
Governor, the chairman and the minority chairman of the
Appropriations Committee of the Senate and the chairman
and minority chairman of the Appropriations Committee of
the House of Representatives by June 1, 2015, and by each
June 1 thereafter, with the following information:

(A) A detailed breakdown of the department's
administrative costs in implementing the activities
described under this section.

(B) The amount of revenue collected and the

1 amount of refunds avoided as a result of the
2 activities described under this paragraph, including
3 details of the type of tax generating the revenue and
4 avoided refunds.

5 (2) (Reserved).

6 Section 2. Sections 1730-F, 1730-H, 1730-J and 1730-L of the
7 act are repealed:

8 [Section 1730-F. Department of Revenue.

9 The following shall apply to appropriations for the
10 Department of Revenue in the General Appropriation Act:

11 (1) The Enhanced Revenue Collection Account created
12 under section 1730-L for fiscal years 2010-2011 and 2011-2012
13 shall continue through fiscal year 2016-2017. Revenues
14 collected and the amount of refunds avoided as a result of
15 expanded tax return reviews and tax collection activities
16 shall be deposited into the account. The following shall
17 apply:

18 (i) Of the funds in the account, for each of the
19 fiscal years 2012-2013 through fiscal year 2016-2017, up
20 to \$10,000,000 is appropriated to the department to fund
21 the costs associated with increased tax collection
22 enforcement and reduction in tax refund errors. The
23 balance of the funds in the account on June 15, 2012, and
24 each June 15 thereafter shall be transferred to the
25 General Fund or other authorized fund.

26 (ii) The department shall issue a report to the
27 Governor, the majority chair and the minority chair of
28 the Appropriations Committee of the Senate and the
29 majority chair and minority chair of the Appropriations
30 Committee of the House of Representatives by June 1,

2013, and by each June 1 thereafter, with the following information:

(A) A detailed breakdown of the department's administrative costs in implementing the activities described under this section.

(B) The amount of revenue collected and the amount of refunds avoided as a result of the activities described under this paragraph, including details of the type of tax generating the revenue and avoided refunds.

(2) (Reserved).

Section 1730-H. Department of Revenue.

The following shall apply to appropriations for the Department of Revenue in the General Appropriation Act:

(1) The Enhanced Revenue Collection Account created under section 1730-L for fiscal years 2010-2011 and 2011-2012 shall continue through fiscal year 2019-2020. Revenues collected and the amount of refunds avoided as a result of expanded tax return reviews and tax collection activities shall be deposited into the account. The following shall apply:

(i) Of the funds in the account, for each of the fiscal years 2013-2014 through fiscal year 2019-2020, up to \$15,000,000 is appropriated to the department to fund the costs associated with increased tax collection enforcement and reduction in tax refund errors. The balance of the funds in the account on June 15, 2012, and each June 15 thereafter shall be transferred to the General Fund or other authorized fund.

(ii) The department shall issue a report to the

1 Governor, the majority chair and the minority chair of
2 the Appropriations Committee of the Senate and the
3 majority chair and minority chair of the Appropriations
4 Committee of the House of Representatives by June 1,
5 2013, and by each June 1 thereafter, with the following
6 information:

7 (A) A detailed breakdown of the department's
8 administrative costs in implementing the activities
9 described under this section.

10 (B) The amount of revenue collected and the
11 amount of refunds avoided as a result of the
12 activities described under this paragraph, including
13 details of the type of tax generating the revenue and
14 avoided refunds.

15 (2) (Reserved).

16 Section 1730-J. Department of Revenue.

17 The following shall apply to appropriations for the
18 Department of Revenue in the General Appropriation Act:

19 (1) The Enhanced Revenue Collection Account created
20 under section 1730-L for fiscal years 2010-2011 and 2011-2012
21 shall continue through fiscal year 2019-2020. Revenues
22 collected and the amount of refunds avoided as a result of
23 expanded tax return reviews and tax collection activities
24 shall be deposited into the account. The following shall
25 apply:

26 (i) Of the funds in the account, for each of the
27 fiscal years 2014-2015 through 2019-2020, up to
28 \$25,000,000 is appropriated to the department to fund the
29 costs associated with increased tax collection
30 enforcement and reduction in tax refund errors. The

1 balance of the funds in the account on June 15, 2014, and
2 each June 15 thereafter, shall be transferred to the
3 General Fund or another authorized fund.

4 (ii) The department shall issue a report to the
5 Governor, the chairman and the minority chairman of the
6 Appropriations Committee of the Senate and the chairman
7 and minority chairman of the Appropriations Committee of
8 the House of Representatives by June 1, 2015, and by each
9 June 1 thereafter, with the following information:

10 (A) A detailed breakdown of the department's
11 administrative costs in implementing the activities
12 described under this section.

13 (B) The amount of revenue collected and the
14 amount of refunds avoided as a result of the
15 activities described under this paragraph, including
16 details of the type of tax generating the revenue and
17 avoided refunds.

18 (2) (Reserved).

19 Section 1730-L. Department of Revenue.

20 The following shall apply to appropriations for the
21 Department of Revenue from the General Appropriation Act:

22 (1) There is hereby created within the General Fund a
23 restricted account to be known as the Enhanced Revenue
24 Collection Account. Revenues collected and the amount of
25 refunds avoided as a result of expanded tax return review and
26 tax collection activities shall be deposited into the
27 account.

28 (2) Of the funds in the Enhanced Revenue Collection
29 Account, for each of fiscal year 2010-2011 and 2011-2012, up
30 to \$4,300,000 is hereby appropriated to the Department of

1 Revenue to fund the costs associated with increased tax
2 collection enforcement and reduction in tax refund errors.
3 The balance of the funds in the account on June 15, 2011, and
4 each June 15 thereafter shall be transferred to the General
5 Fund or other appropriate fund.

6 (3) The Department of Revenue shall issue a report to
7 the Governor, the majority and minority chairs of the
8 Appropriations Committee of the Senate and the majority and
9 minority chairs of the Appropriations Committee of the House
10 of Representatives by June 1, 2011, and by each June 1
11 thereafter, with the following information:

12 (i) A detailed breakdown of the department's
13 administrative costs in implementing the activities
14 described under paragraph (1).

15 (ii) The amount of revenue collected and the amount
16 of refunds avoided as a result of the activities
17 described under paragraph (1). The report shall also
18 detail the type of tax generating the revenue and avoided
19 refunds.]

20 Section 3. This act shall take effect July 1, 2015, or
21 immediately, whichever is later.