

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1232 Session of 2019

INTRODUCED BY DUNBAR, RYAN, MILLARD, WHEELAND, GROVE, PICKETT,
GAYDOS, LAWRENCE AND MENTZER, APRIL 16, 2019

REFERRED TO COMMITTEE ON FINANCE, APRIL 16, 2019

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 cancer control, prevention and
 4 research, for ambulatory surgical center data collection, for
 5 the Joint Underwriting Association, for entertainment
 6 business financial management firms, for private dam
 7 financial assurance and for reinstatement of item vetoes;
 8 providing for the settlement, assessment, collection, and
 9 lien of taxes, bonus, and all other accounts due the
 10 Commonwealth, the collection and recovery of fees and other
 11 money or property due or belonging to the Commonwealth, or
 12 any agency thereof, including escheated property and the
 13 proceeds of its sale, the custody and disbursement or other
 14 disposition of funds and securities belonging to or in the
 15 possession of the Commonwealth, and the settlement of claims
 16 against the Commonwealth, the resettlement of accounts and
 17 appeals to the courts, refunds of moneys erroneously paid to
 18 the Commonwealth, auditing the accounts of the Commonwealth
 19 and all agencies thereof, of all public officers collecting
 20 moneys payable to the Commonwealth, or any agency thereof,
 21 and all receipts of appropriations from the Commonwealth,
 22 authorizing the Commonwealth to issue tax anticipation notes
 23 to defray current expenses, implementing the provisions of
 24 section 7(a) of Article VIII of the Constitution of
 25 Pennsylvania authorizing and restricting the incurring of
 26 certain debt and imposing penalties; affecting every
 27 department, board, commission, and officer of the State
 28 government, every political subdivision of the State, and
 29 certain officers of such subdivisions, every person,
 30 association, and corporation required to pay, assess, or
 31 collect taxes, or to make returns or reports under the laws
 32 imposing taxes for State purposes, or to pay license fees or
 33 other moneys to the Commonwealth, or any agency thereof,
 34 every State depository and every debtor or creditor of the

1 Commonwealth," in additional special funds, providing for the
2 Enhanced Revenue Collection Account; in 2018-2019 budget
3 implementation, further providing for Department of Revenue;
4 and making an editorial change.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. The heading of Article XVII-A.1 of the act of
8 April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, is
9 amended to read:

10 ARTICLE XVII-A.1

11 ADDITIONAL SPECIAL FUNDS AND RESTRICTED ACCOUNTS

12 Section 2. Article XVII-A.1 of the act is amended by adding
13 a subarticle to read:

14 SUBARTICLE G

15 ENHANCED REVENUE COLLECTION ACCOUNT

16 Section 1761-A.1. Definitions.

17 The following words and phrases when used in this subarticle
18 shall have the meanings given to them in this section unless the
19 context clearly indicates otherwise:

20 "Account." The Enhanced Revenue Collection Account continued
21 under section 1762-A.1.

22 "Department." The Department of Revenue of the Commonwealth.
23 Section 1762-A.1. Enhanced Revenue Collection Account.

24 The Enhanced Revenue Collection Account is continued as a
25 restricted account within the General Fund. Revenues collected
26 and the amount of refunds avoided as a result of expanded tax
27 return reviews and tax collection activities by the department
28 shall be deposited into the account.

29 Section 1763-A.1. Use of account.

30 (a) Appropriation.--The General Assembly may appropriate
31 money in the account to the department to fund the costs
32 associated with expanded tax return reviews and tax collection

1 activities.

2 (b) Return.--Except for amounts appropriated under
3 subsection (a), money in the account shall be returned
4 proportionately to the General Fund revenue or refund accounts
5 that were the source of the money no later than the 28th day of
6 each month of the fiscal year.

7 Section 1764-A.1. Report.

8 The department shall issue a report to the Governor, the
9 chairperson and minority chairperson of the Appropriations
10 Committee of the Senate and the chairperson and minority
11 chairperson of the Appropriations Committee of the House of
12 Representatives by June 1, 2020, and each June 1 thereafter,
13 with the following information:

14 (1) A detailed breakdown of the department's
15 administrative costs in implementing expanded tax return
16 reviews and tax collection activities.

17 (2) The amount of revenue collected and the amount of
18 refunds avoided as a result of the expanded tax return
19 reviews and tax collection activities, including the type of
20 tax generating the revenue and avoided refunds.

21 Section 3. Section 1730-H of the act, repealed and added
22 June 22, 2018 (P.L.281, No.42), is amended to read:

23 Section 1730-H. Department of Revenue.

24 The following apply to appropriations for the Department of
25 Revenue:

26 (1) The Enhanced Revenue Collection Account shall
27 continue as a restricted account within the General Fund
28 through fiscal year [2019-2020] 2018-2019. Revenues collected
29 and the amount of refunds avoided as a result of expanded tax
30 return reviews and tax collection activities shall be

1 deposited into the restricted account. The following shall
2 apply:

3 (i) Of the money transferred under this paragraph in
4 the account, for fiscal years 2018-2019 [and 2019-2020],
5 up to \$30,000,000 is appropriated to the department to
6 fund the costs associated with expanded tax return
7 reviews and tax collection activities. The balance of the
8 money in the account shall be returned proportionately to
9 the General Fund revenue or refund accounts that were the
10 source of the money no later than the 28th day of each
11 month of the fiscal year.

12 (ii) The department shall issue a report to the
13 Governor, the chairperson and the minority chairperson of
14 the Appropriations Committee of the Senate and the
15 chairperson and minority chairperson of the
16 Appropriations Committee of the House of Representatives
17 by June 1, 2019, [and by each June 1 thereafter,] with
18 the following information:

19 (A) A detailed breakdown of the department's
20 administrative costs in implementing expanded tax
21 return reviews and tax collection activities.

22 (B) The amount of revenue collected and the
23 amount of refunds avoided as a result of the expanded
24 tax return reviews and tax collection activities,
25 including the type of tax generating the revenue and
26 avoided refunds.

27 (2) (Reserved).

28 Section 4. This act shall take effect July 1, 2019, or
29 immediately, whichever occurs later.