



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

SENATE BILL NO. 653

PRINTERS NO. 2025

PRIME SPONSOR: Browne

### COST / (SAVINGS)

FUND	FY 2018/19	FY 2019/20
General Fund	\$0	\$0

**SUMMARY:** Senate Bill 653, Printer's Number 2025, amends the Local Tax Enabling Act further providing for consolidated collection of local taxes, tax collection committees and appeal boards, declaration and payment of income taxes, powers and duties of tax officer, costs of collecting delinquent taxes and making editorial changes.

**ANALYSIS:** Senate Bill 653 extends the benefits of Act 32, which provided for the consolidation of the collection of the local earned income tax, by requiring the tax officer to collect the Local Services Tax (LST) beginning January 1, 2020. A political subdivision may retain its authority to collect the LST by adopting a resolution not less than 90 days prior to the effective date. If at any time in the future a political subdivision wishes to "opt-out" or "opt-in", the political subdivision must pass a resolution no later than 90 days before January 1 of the following year in which it wishes to change.

The legislation further amends the act providing that the appeals board shall be the appropriate venue for the appeal of (1) any tax under the act, except a tax upon the transfer of real property or an interest in real property and (2) a tax levied on payroll amounts generated as a result of business activity authorized by this act or any other act.

Language is added providing that quarterly estimated payments shall only be required for a taxpayer who incurs a tax liability of \$200 or more in the calendar year. If tax liability is less than \$200, a taxpayer may remit one lump sum payment without penalty and shall not be required to file quarterly estimates.

Furthermore, the amendment adds language providing that no political subdivision, tax collection committee or tax officer may require a taxpayer to file a local tax return indicating zero income and no tax liability if the taxpayer met the local income tax exemption requirements and was not required to file a local income tax return in the preceding year.

The act shall take effect January 1, 2020, or immediately, whichever is later.

**FISCAL IMPACT:** Enactment of this legislation will have no adverse fiscal impact on Commonwealth funds.

**PREPARED BY:** Ritchie LaFaver  
House Appropriations Committee (R)

**DATE:** September 25, 2018

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*