

**SENATE APPROPRIATIONS COMMITTEE  
FISCAL NOTE**

**BILL NO.** House Bill 2058

**PRINTER NO.** 2365

**AMOUNT**

No Fiscal Impact

**FUND**

Local Funds

**DATE INTRODUCED**

November 5, 2021

**PRIME SPONSOR**

Representative Mako

**DESCRIPTION**

House Bill 2058 amends the act of December 31, 1965 (P.L.1257, No.511), known as the Local Tax Enabling Act (LTEA), to conform the filing deadlines of final local income tax returns to coincide with the filing deadline of a state personal income tax return under section 330 of the Tax Reform Code of 1971, which in turn matches the federal filing deadline.

The legislation removes the existing filing deadlines with regard to local income tax returns contained in the LTEA, which prescribes "...on or before April 15 of the succeeding year..." and replaces them by adding the following language to section 502(c)(4):

*The filing deadline of a final return under subsection (c)(1) and (c)(2)(iii) shall coincide with the filing deadline for a tax return under section 330(a) of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.*

Section 502(c)(1) of the LTEA refers to the local earned income tax or local personal income tax withheld on compensation and wages, and section 502(c)(2)(iii) refers to the local earned income tax or local personal income tax imposed on net profits from the operation of a business, other than a corporation.

The provisions contained in House Bill 2058 preempt and supersede any ordinance, resolution or rule of any political subdivision, tax collection officer or tax collection committee. The amendment of the LTEA with regard to tax return filing deadlines shall apply to a final return first due after the effective date of the legislation.

This act shall take effect immediately.

**FISCAL IMPACT:**

House Bill 2058 will have no fiscal impact on Commonwealth funds.

Act 10 of 2021 amended the Tax Reform Code of 1971 authorizing the Department of Community and Economic Development to assist municipalities to conform filing

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deadlines for final local income tax returns to the state personal income tax filing deadline. During the time when Act 10 of 2021 was enacted, federal, state and local tax filing deadlines were extended in response to the pandemic. House Bill 2058 now makes the statutory changes within the authorizing statute (i.e., LTEA) under which the filing deadlines for local income tax returns are prescribed.

Conforming the LTEA's local income tax filing deadlines to the state and federal deadline in future taxable years will have no fiscal impact on local funds unless the deadlines in some future year are extended to a period beyond the normal fiscal year's end. In such situation, local income tax revenue could be delayed in one fiscal year and shifted to the next as did occur in 2020 because of the pandemic.