

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 447

PRINTER NO. 448

AMOUNT

See Fiscal Impact

FUND

General Fund

DATE INTRODUCED

March 18, 2021

PRIME SPONSOR

Senator Brooks

DESCRIPTION

Senate Bill 447 amends the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, by reducing the annual rate of tax on corporate net income imposed by section 402(b).

Under current law, the corporate net income tax rate is 9.99% for taxable years beginning January 1, 1995, and each taxable year thereafter. Senate Bill 447 provides for an annual phase-down of the corporate net income tax rate until it reaches 6.99% in 2027, as follows:

- January 1, 1995, through December 31, 2021; 9.99%
- January 1, 2022, through December 31, 2022; 9.49%
- January 1, 2023, through December 31, 2023; 8.99%
- January 1, 2024, through December 31, 2024; 8.49%
- January 1, 2025, through December 31, 2025; 7.99%
- January 1, 2026, through December 31, 2026; 7.49%
- January 1, 2027, and each taxable year thereafter. 6.99%

This act shall take effect immediately.

FISCAL IMPACT:

Senate Bill 447 will reduce General Fund revenue of the Commonwealth in future fiscal years. The Pennsylvania Department of Revenue prepared the following fiscal impact analysis with regard to the legislation’s effect on General Fund tax collections:

Dollars in Millions

Fiscal Year	Annual Fiscal Impact	Cumulative Fiscal Impact
2022-23	(323.7)	(323.7)
2023-24	(489.1)	(812.8)

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2024-25	(690.8)	(1,503.6)
2025-26	(876.6)	(2,380.2)
2026-27	(1068.2)	(3,448.4)