

JOHN C. BEAR, MEMBER
97TH LEGISLATIVE DISTRICT

HARRISBURG OFFICE
PO BOX 202097
HARRISBURG PA 17120-2097
PHONE: (717) 787-1776




HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

DISTRICT OFFICE
1555 HIGHLANDS DRIVE, SUITE 110
LITITZ PA 17543
PHONE: (717) 626-1776

E-MAIL: jbear@pahousegop.com
www.repbear.com

MEMORANDUM

TO: All House Members

FROM: Representative John C. Bear 

DATE: January 6, 2011

SUBJECT: **Reintroduction of legislation – Certification of No Tax Liability
Prior HB 1114**

Over the course of recent legislative sessions, it has been brought to my attention by a constituent that there are several inconsistencies regarding filing of personal income taxes between the state and federal level.

I intend to re-introduce legislation that would allow those taxpayers that qualify for complete tax forgiveness and meet the appropriate criteria to establish their eligibility for tax forgiveness without having to file a state tax return. Instead, qualifying taxpayers would only have to file a "certification" that no tax liability exists for that tax year.

Currently, taxpayers who do not have annual income greater than the applicable poverty income threshold amount delineated in the state tax law (\$6,500 for individual and \$13,000 for a married couple) qualify for 100% tax forgiveness. In effect, all of the taxpayer's personal income tax liability is forgiven. However, practically all of these low income taxpayers are still required to go through the process of having a state tax return prepared and filed even though they owe no tax and do not have a refund coming, simply for the purpose of uniformity and verification.

The Commonwealth's Constitution requires that taxes be imposed uniformly. An exemption from filing is not uniform and would be considered unconstitutional. However, the constitution does provide special provisions that allow a tax forgiveness credit for eligible taxpayers.

This certification would only be available to those claimants that did not have any tax liability in the previous year, are entitled to 100% tax forgiveness in the current year, were not subject to tax withholding, are not subject to and did not make estimated tax payments and are not entitled to a refund. In addition, provisions for a criminal penalty for supplying false information on the certification have been placed in the legislation to ensure that there are consequences for tax fraud.

If you would like to co-sponsor this legislation, please contact Debra Brehm in my office at 787-1776 or via GroupWise at dbrehm@pahousegop.com.

Prior HB 1114 co-sponsors: BENNINGHOFF, BOYD, BROOKS, CREIGHTON, CUTLER, DENLINGER, FLECK, GEIST, GIBBONS, GROVE, HICKERNELL, KAUFFMAN, LONGIETTI, MILLER, MURT, PERRY, PICKETT, QUINN, RAPP, ROCK, ROSS, SAYLOR, STERN, SWANGER, VULAKOVICH, and YOUNGBLOOD