

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
 2 act relating to tax reform and State taxation by codifying
 3 and enumerating certain subjects of taxation and imposing
 4 taxes thereon; providing procedures for the payment,
 5 collection, administration and enforcement thereof; providing
 6 for tax credits in certain cases; conferring powers and
 7 imposing duties upon the Department of Revenue, certain
 8 employers, fiduciaries, individuals, persons, corporations
 9 and other entities; prescribing crimes, offenses and
 10 penalties," in personal income tax, providing for an
 11 exception for the payment of a withholding tax by estates and
 12 trusts and for determination of beneficiary's address and
 13 residency.

14 The General Assembly of the Commonwealth of Pennsylvania
 15 hereby enacts as follows:

16 Section 1. Section 324 of the act of March 4, 1971 (P.L.6,
 17 No.2), known as the Tax Reform Code of 1971, is amended by
 18 adding a subsection to read:

19 Section 324. General Rule.--* * *

20 (c) An estate or trust shall not be required to pay a
 21 withholding tax for any taxable year on the amount of income
 22 from sources within this Commonwealth allocable to each
 23 nonresident beneficiary entitled to receive one thousand dollars

1 (\$1,000) or less of such income for the taxable year. The
2 department may increase the amount of the income allocable to
3 each beneficiary not subject to the withholding tax to a greater
4 amount as determined by the department in the interests of
5 promoting the efficiency of tax reporting and collection
6 requirements or avoiding the imposition of costs on estates and
7 trusts not reasonably justified by the revenue generated by the
8 requirements. A determination to increase the amount of income
9 that may be allowable to each beneficiary not subject to the
10 withholding tax shall not constitute an administrative
11 regulation, and notice of the increase may be provided by
12 publication in the Pennsylvania Bulletin and by notice provided
13 in forms, instructions and statements of policy issued by the
14 department.

15 Section 2. Section 335(g) of the act is amended by adding a
16 paragraph to read:

17 Section 335. Requirements Concerning Returns, Notices,
18 Records and Statements.--* * *

19 (g) * * *

20 (3) An estate or trust may determine the current address of
21 a beneficiary and determine that a beneficiary is not a resident
22 of this Commonwealth based upon notice provided to the estate or
23 trust by or on behalf of the beneficiary, and may continue to
24 rely on the notice until provided subsequent notice that the
25 beneficiary has a new address or has become a resident of this
26 Commonwealth.

27 Section 3. The addition of sections 324(c) and 335(g)(3) of
28 the act shall apply retroactively to July 9, 2013.

29 Section 4. This act shall take effect immediately.