

TAX REFORM CODE OF 1971 -COVID-19 EMERGENCY FINANCE AND TAX
PROVISION, REPORTS AND PAYMENT OF TAX AND EXTENSION OF TIME TO
FILE REPORTS

Act of Apr. 22, 2021, P.L. 36, No. 10

Cl. 72

Session of 2021

No. 2021-10

HB 766

AN ACT

Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An act relating to tax reform and State taxation by codifying and enumerating certain subjects of taxation and imposing taxes thereon; providing procedures for the payment, collection, administration and enforcement thereof; providing for tax credits in certain cases; conferring powers and imposing duties upon the Department of Revenue, certain employers, fiduciaries, individuals, persons, corporations and other entities; prescribing crimes, offenses and penalties," in personal income tax, providing for COVID-19 emergency finance and tax provision; and in corporate net income tax, further providing for reports and payment of tax and for extension of time to file reports.

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

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

Section 330.2. COVID-19 Emergency Finance and Tax Provision.--(a) The General Assembly finds and declares that there are circumstances under which it is impossible to effectively comply with law relating to State finance or State tax, and during such circumstances, it is necessary for Commonwealth agencies to exercise powers and duties provided under this section.

(b) (1) This subsection provides temporary authority to the department to deal with State taxation during the state of disaster emergency announced by the Governor's March 6, 2020, proclamation of disaster emergency, and any renewal of the state of disaster emergency.

(2) The department shall disregard the period after April 14, 2021, and before May 17, 2021, in the calculation of interest, a penalty or an addition to tax for failure to meet an extended deadline under section 330.

(3) This subsection shall expire May 31, 2021.

(c) (1) This subsection provides temporary authority to the Department of Community and Economic Development to deal with local taxation during the state of disaster emergency announced by the Governor's March 6, 2020, proclamation of disaster emergency, and any renewal of the state of disaster emergency.

(2) During the state of disaster emergency under paragraph (1), the Department of Community and Economic Development shall coordinate with the governing bodies and local agencies of political subdivisions to do all of the following:

(i) Extend filing and payment deadlines for local taxes under Chapter 5 of the act of December 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling Act, and related

statutory provisions, ordinances and resolutions so that the deadlines coincide with the filing deadline for a tax return and payment under section 330.

(ii) Disregard the period after April 14, 2021, and before May 17, 2021, in the calculation of interest, a penalty or an addition to tax for failure to meet an extended deadline under subparagraph (i).

(3) This subsection shall expire May 31, 2021.

(d) (1) This subsection shall provide permanent authority to the Department of Community and Economic Development to deal with local taxation. Notwithstanding The Local Tax Enabling Act, the filing deadline of a final return under Chapter 5 of The Local Tax Enabling Act and related statutory provisions, ordinances and resolutions shall coincide with the filing deadline for a tax return under section 330.

(2) This subsection shall not expire.

Section 2. Sections 403(a)(1) and (e) and 405 of the act are amended to read:

Section 403. Reports and Payment of Tax.--(a) (1) It shall be the duty of every corporation, liable to pay tax under this article, to transmit to the department, upon a form prescribed by the department, an annual report under oath or affirmation of its president, vice-president, treasurer, assistant treasurer or other authorized officers of net income taxable under the provisions of this article:

(i) on or before April 15, 1972, and every April 15 of each year thereafter through April 15, 2016; [and]

(ii) for taxable years beginning after December 31, 2015, on or before thirty days after the return to the Federal Government is due, or would be due were it to be required of such corporation, subject in all other respects to the provisions of this article[.]; and

(iii) for taxable years beginning after December 31, 2020, on or before the fifteenth day of the month following the due date of the return to the Federal Government, or would be due were it to be required of such corporation, subject in all other respects to the provisions of this article.

* * *

(e) If any corporation closes its fiscal year not upon December 31, but upon some other date, and reports to the Federal Government as of such other date, or would so report were it to make a return to the Federal Government, such corporation shall certify such fact to the department, and shall make the annual report, herein required, [within thirty days after the return to the Federal Government is due] **on or before the fifteenth day of the month following the due date of the return to the Federal Government**, or would be due were it to be required of such corporation, subject in all other respects to the provisions of this article.

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Section 405. Extension of Time to File Reports.--The department may, upon application made to it, in such form as it shall prescribe, on or prior to the last day for filing any annual report, and upon proper cause shown, grant to the corporation, required to file such report, an extension of not more than sixty days within which such report may be filed. If the Federal income tax authorities grant an extension of time for filing the reports with the Federal Government, the department shall automatically grant an extension of time for filing the annual report under this article [of thirty days after] **until the fifteenth day of the month following the termination of the Federal extension**, but the amount of tax due

shall, in such cases, nevertheless, be subject to interest from the due dates and at the rates fixed by this article.

Section 3. This act shall apply as follows:

(1) The amendment of sections 403(a)(1) and (e) and 405 of the act shall apply to taxable years beginning after December 31, 2020.

(2) The addition of section 330.2(d) of the act shall apply to taxable years beginning after the effective date of this section.

Section 4. This act shall take effect immediately.

APPROVED--The 22nd day of April, A.D. 2021.

TOM WOLF