

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1592

Session of
1985

INTRODUCED BY TRELLO, WILSON, CAPPABIANCA, DORR, AFFLERBACH,
WOGAN, B. SMITH, VAN HORNE, HALUSKA, FARGO, PRESSMANN,
HERMAN, BELFANTI, JOHNSON, POTT, CARN, BATTISTO, FLICK,
CORNELL, HOWLETT, MERRY AND BOYES, JUNE 28, 1985

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES,
AS AMENDED, MARCH 10, 1986

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," further providing for the phaseout of the
11 prepayment schedule for capital stock taxes to a quarterly
12 payment schedule.

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

15 Section 1. Section 3003 of the act of March 4, 1971 (P.L.6,
16 No.2), known as the Tax Reform Code of 1971, is amended by
17 adding a subsection to read:

18 Section 3003. Prepayment of Tax.--* * *

19 (d.1) A corporation with respect to the capital stock
20 franchise tax imposed by Article VI of this act may, at its
21 election, report and pay in installments on account of the tax

1 due for the current taxable year an amount computed by applying
 2 the current tax rate to ~~ninety~~ EIGHTY-FIVE per cent of the tax <—
 3 base as determined in either subsection (a) or (b) of this
 4 section. The installments shall be paid in accordance with the
 5 following schedules:

	<u>First</u>	<u>Second</u>	<u>Third</u>	<u>Fourth</u>	
6					
7	<u>Year In</u>	<u>Due on the 15th day of the following months</u>			
8	<u>Which Tax</u>	<u>after close of the previous tax year:</u>			
9	<u>Year Begins</u>	<u>4th Month</u>	<u>6th Month</u>	<u>9th Month</u>	<u>12th Month</u>
10	<u>1985 1987</u>	<u>80%</u>	<u>0%</u>	<u>10%</u>	<u>10%</u> <—
11	<u>1986 1988</u>	<u>60%</u>	<u>15%</u>	<u>15%</u>	<u>10%</u> <—
12	<u>1987 1989</u>	<u>40%</u>	<u>30%</u>	<u>20%</u>	<u>10%</u> <—
13	<u>1988 1990 and</u>				<—
14	<u>thereafter</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>

15 Any taxpayer which has elected to compute its tentative tax
 16 liability on the aforesaid estimated basis and which has elected
 17 to report and pay the estimated tax in installments may, when
 18 reporting and paying its third or fourth installment, base the
 19 installment on an amended tentative tax report reflecting the
 20 taxpayer's new estimate of its tax liability for the tax year:
 21 Provided, That the new estimate reflects a lower tax liability
 22 than was previously reported in its original or, if applicable,
 23 amended tentative tax report. If an amended tentative tax report
 24 is filed, each remaining installment payment due, if any, shall
 25 be such as to bring the total installment payments made on
 26 account of the tax due for the current taxable year up to an
 27 amount determined by multiplying the tentative tax due for the
 28 year as reported in the amended report by the sum of the
 29 percentages set forth in the above schedule for the applicable
 30 elapsed installments.

1 The remaining portion of the tax due, if any, shall be paid
2 upon the date the taxpayer's annual report is required to be
3 filed under the applicable tax statute, determined without
4 reference to any extension of time for filing such report.

5 * * *

6 Section 2. This act applies to the tax year beginning
7 January 1, ~~1986~~ 1987, and each tax year thereafter.

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8 Section 3. This act shall take effect immediately.