

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 795 Session of 2005

INTRODUCED BY BROWNE, CORMAN, M. WHITE, PICCOLA, BOSCOLA,  
RAFFERTY, PIPPY, EARLL, ORIE, GORDNER, O'PAKE, WENGER,  
WONDERLING AND ARMSTRONG, JUNE 22, 2005

REFERRED TO FINANCE, JUNE 22, 2005

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 manner of making election  
11 for purposes of the personal income tax imposed on  
12 Pennsylvania S corporations.

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

15 Section 1. Section 307.1 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 307.1. Manner of Making Election.--\* \* \*

19 (c) If an election is made for any taxable year after the  
20 last date prescribed by subsection (b), the election may be  
21 treated by the department as timely made if:

22 (1) the corporation's election for Federal tax purposes is

1 treated as timely made under section 1362(b)(5) of the Internal  
2 Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §  
3 1362(b)(5)); and

4 (2) no taxpayers whose tax liability or tax return would be  
5 affected by the election have reported inconsistently with the  
6 election on any affected return for the first taxable year in  
7 which the election was intended.

8 Section 2. This act shall apply to taxable years beginning  
9 after December 31, 2004.

10 Section 3. This act shall take effect immediately.