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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL**  
**No. 1986** Session of  
1975

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INTRODUCED BY MILLIRON, REED, PRATT, DAVIES, BERLIN, GREEN,  
KUSSE, DININNI, MANMILLER, LEHR, WAGNER, MOEHLMANN,  
SCHEAFFER, W. W. FOSTER, SALVATORE, HAMILTON, MCGINNIS,  
DREIBELBIS, ANDERSON, PANCOAST, SCHWEDER, MEBUS, HOPKINS,  
D. S. HAYES, BRANDT AND SELTZER, NOVEMBER 25, 1975

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REFERRED TO COMMITTEE ON FINANCE, NOVEMBER 26, 1975

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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," to provide for the Commonwealth's payment of  
11 interest on refunds, credits, recoupment and offsets of tax  
12 overpayments.

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

15 Section 1. Section 252, act of March 4, 1971 (P.L.6, No.2),  
16 known as the "Tax Reform Code of 1971," is amended to read:

17 Section 252. Refunds.--The department shall, pursuant to the  
18 provisions of sections 253 and 254, refund all taxes, interest  
19 and penalties paid to the Commonwealth under the provisions of  
20 this article and to which the Commonwealth is not rightfully  
21 entitled. Such refunds shall be made to the person, his heirs,

1 successors, assigns or other personal representatives, who  
2 actually paid the tax: Provided, That no refund shall be made  
3 under this section with respect to any payment made by reason of  
4 an assessment with respect to which a taxpayer has filed a  
5 petition for reassessment pursuant to section 232 of this  
6 article to the extent that said petition has been determined  
7 adversely to the taxpayer by a decision which is no longer  
8 subject to further review or appeal: Provided further, That  
9 nothing contained herein shall be deemed to prohibit a taxpayer  
10 who has filed a timely petition for reassessment from amending  
11 it to a petition for refund where the petitioner has paid the  
12 tax assessed.

13 Interest shall be allowed and paid upon any refund made or  
14 credit allowed of tax, penalties, interest and additions  
15 pursuant to this section and sections 253 and 254 and upon any  
16 overpayment of tax, penalties, interest and additions which is  
17 applied as recoupment or offset against an assessed deficiency  
18 except that no interest shall be allowed or paid if the amount  
19 thereof would be less than one dollar (\$1) and except that no  
20 interest shall be allowed or paid on credits taken by a taxpayer  
21 on a return. Such interest shall be at a rate equal to the rate  
22 of interest imposed by the Commonwealth on deficiencies assessed  
23 under this article. Such interest shall be computed from the  
24 date when the tax, penalty, interest and addition refunded,  
25 credited, recouped or offset was paid to a date (to be  
26 determined by the Secretary of Revenue) preceding by not more  
27 than thirty days the date of the refund check, issuance of  
28 credit memorandum or application of recoupment or offset:  
29 Provided, however, That for the purposes of this paragraph any  
30 tax paid directly to the department before the last day

1 prescribed for its payment shall be deemed to have been paid on  
2 such last day and any tax paid to a vendor shall be deemed to  
3 have been paid on the last day of the month in which such  
4 payment was made.

5 Section 2. Subsection (c) of section 277 is amended to read:

6 Section 277. Bonds.--\* \* \*

7 (c) Failure to File Bond. The department may file a lien  
8 pursuant to section 242 against any taxpayer who fails to file a  
9 bond when required to do so under this section. All funds  
10 received upon execution of the judgment on such lien shall be  
11 refunded to the taxpayer with [three per cent] interest should a  
12 final determination be made that he does not owe any payment to  
13 the department. The interest shall be computed at a rate equal  
14 to the rate of interest imposed by the Commonwealth on  
15 deficiencies assessed under this article.

16 Section 3. Nothing contained herein shall affect or impair  
17 litigation pending at the time this act becomes effective. This  
18 act shall not be construed to indicate the intent of the General  
19 Assembly prior to the effective date of this act in regard to  
20 the status of the law on the Commonwealth's payment of interest.

21 Section 4. This act shall take effect 90 days after final  
22 enactment.