

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2162 Session of
1984

INTRODUCED BY DORR, CAPPABIANCA, L. E. SMITH, F. E. TAYLOR,
HALUSKA, DeVERTER, McVERRY, WASS, LASHINGER, HAGARTY, NAHILL,
COSLETT, MACKOWSKI, PHILLIPS, E. Z. TAYLOR, PETERSON, HERMAN,
GEIST, SERAFINI, SIRIANNI, SHOWERS, GRUPPO, MADIGAN,
ANGSTADT, BOOK, D. W. SNYDER, FARGO, BALDWIN, RUDY, COY,
CIVERA, BOYES, KLINGAMAN, GLADECK, CESSAR, BOWSER, REBER,
DAVIES AND CIMINI, MAY 14, 1984

REFERRED TO COMMITTEE ON FINANCE, MAY 14, 1984

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 phase-out 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, renumbered December
17 21, 1981 (P.L.482, No.141), is amended by adding a subsection to
18 read:

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

20 (d.1) A corporation with respect to the capital stock

franchise tax imposed by Article VI of this act may, at its election, report and pay in installments on account of the tax due for the current taxable year an amount computed either by applying the current tax rate to ninety per cent of the tax base as determined in subsection (a) or (b) of this section. The installments shall be paid in accordance with the following schedules:

	<u>First</u>	<u>Second</u>	<u>Third</u>	<u>Fourth</u>
<u>Year In</u>	<u>Due on the 15th day of the following months</u>			
<u>Which Tax</u>	<u>after close of the previous tax year:</u>			
<u>Year Begins</u>	<u>4th Month</u>	<u>6th Month</u>	<u>9th Month</u>	<u>12th Month</u>
<u>1985</u>	<u>80%</u>	<u>0%</u>	<u>10%</u>	<u>10%</u>
<u>1986</u>	<u>60%</u>	<u>75%</u>	<u>15%</u>	<u>10%</u>
<u>1987</u>	<u>40%</u>	<u>30%</u>	<u>20%</u>	<u>10%</u>
<u>1988 and</u>				
<u>thereafter</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>

Any taxpayer which has elected to compute its tentative tax liability on the aforesaid estimated basis and which has elected to report and pay said estimated tax in installments, may when reporting and paying its third or fourth installment, base such installment on an amended tentative tax report reflecting the taxpayer's new estimate of its tax liability for the tax year: Provided, That the new estimate reflects a lower tax liability than was previously reported in its original or, if applicable, amended tentative tax report. If an amended tentative tax report is filed, each remaining installment payment due, if any, shall be such as to bring the total installment payments made on account of the tax due for the current taxable year up to an amount determined by multiplying the tentative tax due for the year as reported in the amended report by the sum of the

1 percentages set forth in the above schedule for the applicable
2 elapsed installments.

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

7 * * *

8 Section 2. This act shall apply to the tax year beginning
9 January 1, 1985 and each tax year thereafter.

10 Section 3. This act shall take effect immediately.