

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2361 Session of  
1984

INTRODUCED BY LETTERMAN, GEORGE, PISTELLA, TIGUE, LIVENGOOD,  
PITTS, COY, MORRIS, DUFFY, FARGO, BATTISTO, J. L. WRIGHT,  
COLE, PHILLIPS, PETRARCA, MADIGAN, MACKOWSKI, RUDY, SEMMEL,  
POTT, BLAUM, ALDERETTE, NAHILL, STAIRS, PUNT, CORNELL, OLASZ,  
STUBAN, DOMBROWSKI, LUCYK, SHOWERS, MERRY, LESCOVITZ, BURD,  
HERMAN, GRIECO, CIMINI, GEIST, GODSHALL, HASAY, E. Z. TAYLOR,  
WASS, HERSHEY, W. W. FOSTER, SCHEETZ, BOYES, GRUPPO,  
MARKOSEK, BUNT, ROBBINS, MAYERNIK, D. R. WRIGHT, WOZNIAK,  
BALDWIN, MOEHLMANN, COSLETT, B. SMITH, COWELL, CIVERA,  
GLADECK AND SALOOM, JUNE 27, 1984

REFERRED TO COMMITTEE ON FINANCE, JUNE 27, 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," reducing the rate of corporate net income tax.

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

13 Section 1. Section 402 of the act of March 4, 1971 (P.L.6,  
14 No.2), known as the Tax Reform Code of 1971, amended December 9,  
15 1982 (P.L.1047, No.246), is amended to read:

16 Section 402. Imposition of Tax.--Every corporation shall be  
17 subject to, and shall pay for the privilege of (i) doing  
18 business in this Commonwealth; or (ii) carrying on activities in

1 this Commonwealth; (iii) having capital or property employed or  
2 used in this Commonwealth; or (iv) owning property in this  
3 Commonwealth, by or in the name of itself, or any person,  
4 partnership, association, limited partnership, joint-stock  
5 association, or corporation, a State excise tax at the rate of  
6 twelve per cent per annum upon each dollar of taxable income of  
7 such corporation received by, and accruing to, such corporation  
8 during the calendar year 1971 and the first six months of 1972  
9 and at the rate of eleven per cent per annum upon each dollar of  
10 taxable income of such corporation received by, and accruing to,  
11 such corporation during the second six months of calendar year  
12 1972 through the calendar year 1973 and at the rate of nine and  
13 one-half per cent per annum upon each dollar of taxable income  
14 of such corporation received by, and accruing to, such  
15 corporation during the calendar years 1974, 1975 and 1976 and at  
16 the rate of ten and one-half per cent per annum upon each dollar  
17 of taxable income of such corporation received by, and accruing  
18 to, such corporation during the calendar year 1977 and each  
19 calendar year thereafter to the beginning of calendar year 1985  
20 and at the rate of nine and one-half per cent for each calendar  
21 year thereafter, except where a corporation reports to the  
22 Federal Government on the basis of a fiscal year, and has  
23 certified such fact to the department as required by section 403  
24 of this article, in which case, such tax, at the rate of twelve  
25 per cent, shall be levied, collected, and paid upon all taxable  
26 income received by, and accruing to, such corporation during the  
27 first six months of the fiscal year commencing in the calendar  
28 year 1972 and at the rate of eleven per cent, shall be levied,  
29 collected, and paid upon all taxable income received by, and  
30 accruing to, such corporation during the second six months of

1 the fiscal year commencing in the calendar year 1972 and during  
2 the fiscal year commencing in the calendar year 1973 and at the  
3 rate of nine and one-half per cent, shall be levied, collected,  
4 and paid upon all taxable income received by, and accruing to,  
5 such corporation during the fiscal year commencing in the  
6 calendar years 1974, 1975 and 1976 and at the rate of ten and  
7 one-half per cent, shall be levied, collected, and paid upon all  
8 taxable income received by, and accruing to, such corporation  
9 during the fiscal year commencing in the calendar year 1977 and  
10 during each fiscal year thereafter to the fiscal year commencing  
11 in the calendar year 1985 and at the rate of nine and one-half  
12 per cent for each fiscal year commencing in the calendar year  
13 1985 and each fiscal year thereafter. No penalty prescribed by  
14 subsection (e) of section 1202.1 shall be assessed against a  
15 corporation for the additional tax which may be due as a result  
16 of the increase in tax rate from nine and one-half per cent to  
17 ten and one-half per cent imposed retroactively by this section  
18 for the calendar year 1977 or for the fiscal year commencing in  
19 1977.

20 Section 2. This act shall take effect immediately.