

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 146 Session of
1997

INTRODUCED BY SALVATORE, JANUARY 21, 1997

REFERRED TO FINANCE, JANUARY 21, 1997

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," establishing the Tax Evasion and Delinquency
11 Fund; and imposing a surcharge upon certain assessed amounts.

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

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

17 ARTICLE I

18 [SHORT TITLE] PRELIMINARY PROVISIONS

19 Section 2. The act is amended by adding a section to read:

20 Section 102. Tax Evasion and Delinquency Enforcement Fund.--

21 (a) The General Assembly authorized the Department of Revenue

22 to conduct a tax amnesty program from November 1995 to January

1 1996. During the program many delinquent taxpayers disclosed and
2 resolved their liabilities, but there remain those who have
3 failed to file required returns and reports and those who have
4 failed to remit taxes, interest and penalties due and owing.

5 (b) To assist the Department of Revenue in its tax
6 enforcement and collection mission, there is hereby established
7 a separate account in the State Treasury to be known as the Tax
8 Evasion and Delinquency Enforcement Fund.

9 (c) (1) In addition to any other amount assessed lawfully
10 by the department for an attempt to evade, or defeat a tax, an
11 amount equal to 25 percent of such assessment may be collected
12 by the department from the taxpayer.

13 (2) All money collected under clause (1) shall be deposited
14 into the Tax Evasion and Delinquency Enforcement Fund, up to a
15 maximum of eight million, five hundred thousand (\$8,500,000)
16 dollars per fiscal year, beginning on July 1, 1997. All money
17 collected in excess of this amount in any one fiscal year shall
18 be deposited into the General Fund.

19 (d) Money deposited into the Tax Evasion and Delinquency
20 Enforcement Fund shall be used by the Department of Revenue for
21 the purpose of enhancing existing programs or creating
22 additional programs under the following enforcement categories:

23 (1) Auditing.

24 (2) Criminal investigations.

25 (3) Collections of delinquent accounts.

26 (4) Compliance.

27 (5) Discovery.

28 (e) On or before April 30, the Secretary of Revenue shall
29 issue an annual report to the General Assembly providing the
30 following information:

1 (1) The total amount of money collected under section (b)(1)
2 during the current fiscal year.

3 (2) An accounting of the expenditures from the Tax Evasion
4 and Delinquency Enforcement Fund, including, but not limited to,
5 amounts spent for personnel, supplies, and equipment for each
6 enforcement category set forth in subsection (c).

7 (3) Total assessments made by the department as a direct
8 result of such expenditures.

9 (4) Total money collected which is attributable to such
10 assessments.

11 Section 3. This act shall take effect immediately.