
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 200 Session of
2003

INTRODUCED BY PRIME SPONSOR WITHDREW, BELARDI, BISHOP, CAWLEY,
CLYMER, CORRIGAN, COY, CRUZ, DeWEESE, FREEMAN, HARHAI,
HERSHEY, HORSEY, LAUGHLIN, McCALL, MELIO, READSHAW, ROSS,
RUFFING, SCRIMENTI, STABACK, SURRA, TIGUE, WALKO, WANSACZ,
YOUNGBLOOD, PISTELLA, ROBERTS, SHANER, MANDERINO, CURRY,
CIVERA, WASHINGTON AND THOMAS, FEBRUARY 11, 2003

SENATE AMENDMENTS TO HOUSE AMENDMENTS, DECEMBER 20, 2003

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, in sales and use tax, for~~ <—
11 ~~definitions and for licenses; providing, in sales and use~~
12 ~~tax, for Supplemental Public Transportation Assistance Fund~~
13 ~~transfers; further providing, in personal income tax, for~~
14 ~~definitions, for imposition, for special tax provisions for~~
15 ~~poverty, for returns and liability and for returns and~~
16 ~~records; further providing, in corporate net income tax, for~~
17 ~~definitions and for interests in unincorporated entities;~~
18 ~~further providing, in capital stock franchise tax, for~~
19 ~~definitions, for imposition and for expiration; further~~
20 ~~providing, in utilities gross receipts tax, for imposition;~~
21 ~~further providing, in public utility realty tax, for~~
22 ~~surcharges; further providing, in research and development~~
23 ~~tax credit, for carryover, for limitations and for reports;~~
24 ~~further providing, in inheritance tax, for definitions; and~~
25 ~~further providing for estimated tax, for underpayment of~~
26 ~~estimated tax, for tax clearance for licenses, for authority~~
27 ~~to attach wages and for Keystone Opportunity Zones; and~~
28 ~~making repeals.~~

1 FURTHER PROVIDING, IN SALES AND USE TAX, FOR DEFINITIONS, FOR <—
2 EXCLUSIONS, FOR CREDITS, FOR LICENSES AND FOR TRANSFERS TO
3 PUBLIC TRANSPORTATION ASSISTANCE FUND; FURTHER PROVIDING, IN
4 PERSONAL INCOME TAX, FOR DEFINITIONS, FOR IMPOSITION, FOR
5 SPECIAL TAX PROVISIONS FOR POVERTY, FOR RETURNS AND LIABILITY
6 AND FOR RETURNS AND RECORDS; FURTHER PROVIDING, IN CORPORATE
7 NET INCOME TAX, FOR DEFINITIONS AND FOR INTERESTS IN
8 UNINCORPORATED ENTITIES; PROVIDING, IN CORPORATE NET INCOME
9 TAX, FOR ADDITIONAL WITHHOLDING REQUIREMENTS; FURTHER
10 PROVIDING, IN CAPITAL STOCK FRANCHISE TAX, FOR DEFINITIONS
11 AND REPORTS, FOR IMPOSITION AND FOR EXPIRATION; FURTHER
12 PROVIDING, IN UTILITIES GROSS RECEIPTS TAX, FOR IMPOSITION;
13 FURTHER PROVIDING, IN PUBLIC UTILITY REALTY TAX, FOR
14 SURCHARGES; PROVIDING, IN PUBLIC UTILITY REALTY TAX, FOR
15 ADDITIONAL TAX; FURTHER PROVIDING, IN CIGARETTE TAX, FOR
16 INCIDENCE AND RATE OF TAX, FOR FLOOR TAX, FOR STAMP TO
17 EVIDENCE THE TAX AND FOR COMMISSIONS ON SALES; ESTABLISHING,
18 IN RELATION TO CIGARETTE TAX, THE HEALTH CARE PROVIDER
19 RETENTION ACCOUNT; FURTHER PROVIDING, IN RESEARCH AND
20 DEVELOPMENT TAX CREDIT, FOR CARRYOVER, FOR LIMITATIONS AND
21 FOR REPORTS; FURTHER PROVIDING, IN MALT BEVERAGE TAX, FOR
22 LIMITED TAX CREDITS; FURTHER PROVIDING, IN INHERITANCE TAX,
23 FOR DEFINITIONS, FOR EXEMPT TRANSFERS, FOR ESTATE TAX AND FOR
24 ESTATE TAX RETURNS; FURTHER PROVIDING FOR THE PUBLIC
25 TRANSPORTATION ASSISTANCE FUND AND PROVIDING FOR ITS
26 ADMINISTRATION; FURTHER PROVIDING FOR ESTIMATED TAX AND FOR
27 UNDERPAYMENT OF ESTIMATED TAX; PROVIDING FOR AUTHORITY TO
28 ATTACH WAGES; AND REPEALING PROVISIONS RELATING TO THE PUBLIC
29 TRANSPORTATION ASSISTANCE FUND.

30 The General Assembly of the Commonwealth of Pennsylvania
31 hereby enacts as follows:

32 ~~Section 1. Section 201(d) of the act of March 4, 1971~~ <—
33 ~~(P.L.6, No.2), known as the Tax Reform Code of 1971, is amended~~
34 ~~by adding a clause to read:~~

35 ~~Section 201. Definitions. The following words, terms and~~
36 ~~phrases when used in this Article II shall have the meaning~~
37 ~~ascribed to them in this section, except where the context~~
38 ~~clearly indicates a different meaning:~~

39 * * *

40 ~~(d) "Processing." The performance of the following~~
41 ~~activities when engaged in as a business enterprise:~~

42 * * *

43 ~~(17) The producing of mobile telecommunications services.~~

44 * * *

1 ~~Section 2. Section 208 of the act of March 4, 1971 (P.L. 6,~~
2 ~~No. 2), known as the Tax Reform Code of 1971, amended August 4,~~
3 ~~1991 (P.L. 97, No. 22), June 16, 1994 (P.L. 279, No. 48), June 30,~~
4 ~~1995 (P.L. 139, No. 21), and June 29, 2002 (P.L. 559, No. 89), is~~
5 ~~amended to read:~~

6 ~~Section 208. Licenses. (a) Every person maintaining a~~
7 ~~place of business in this Commonwealth, selling or leasing~~
8 ~~services or tangible personal property, the sale or use of which~~
9 ~~is subject to tax and who has not hitherto obtained a license~~
10 ~~from the department, shall, prior to the beginning of business~~
11 ~~thereafter, make application to the department, on a form~~
12 ~~prescribed by the department, for a license. If such person~~
13 ~~maintains more than one place of business in this Commonwealth,~~
14 ~~the license shall be issued for the principal place of business~~
15 ~~in this Commonwealth.~~

16 ~~(b) The department shall, after the receipt of an~~
17 ~~application, issue the license applied for under subsection (a)~~
18 ~~of this section, provided said applicant shall have filed all~~
19 ~~required State tax reports and paid any State taxes not subject~~
20 ~~to a timely perfected administrative or judicial appeal or~~
21 ~~subject to a duly authorized deferred payment plan. Such license~~
22 ~~shall be nonassignable. All licensees as of the effective date~~
23 ~~of this subsection shall be required to file for renewal of said~~
24 ~~license on or before January 31, 1992. Licenses issued through~~
25 ~~April 30, 1992, shall be based on a staggered renewal system~~
26 ~~established by the department. Thereafter, any license issued~~
27 ~~shall be valid for a period of five years.~~

28 ~~(b.1) If an applicant for a license or any person holding a~~
29 ~~license has not filed all required State tax reports and paid~~
30 ~~any State taxes not subject to a timely perfected administrative~~

~~1 or judicial appeal or subject to a duly authorized deferred
2 payment plan, the department may refuse to issue, may suspend or
3 may revoke said license. The department shall notify the
4 applicant or licensee of any refusal, suspension or revocation.
5 Such notice shall contain a statement that the refusal,
6 suspension or revocation may be made public. Such notice shall
7 be made by first class mail. An applicant or licensee aggrieved
8 by the determination of the department may file an appeal
9 pursuant to the provisions for administrative appeals in this
10 article. In the case of a suspension or revocation which is
11 appealed, the license shall remain valid pending a final outcome
12 of the appeals process. Notwithstanding sections 274, 353(f),
13 408(b), 603, 702, 711 A, 802, 904, the former 1004 and 1102 of
14 the act or any other provision of law to the contrary, if no
15 appeal is taken or if an appeal is taken and denied at the
16 conclusion of the appeal process, the department may disclose,
17 by publication or otherwise, the identity of a person and the
18 fact that the person's license has been refused, suspended or
19 revoked under this subsection. Disclosure may include the basis
20 for refusal, suspension or revocation.~~

~~21 (c) A person that maintains a place of business in this
22 Commonwealth for the purpose of selling or leasing services or
23 tangible personal property, the sale or use of which is subject
24 to tax, without having first been licensed by the department
25 shall be guilty of a summary offense and, upon conviction
26 thereof, be sentenced to pay a fine of not less than three
27 hundred dollars (\$300) nor more than one thousand five hundred
28 (\$1,500) and, in default thereof, to undergo imprisonment of not
29 less than five days nor more than thirty days. The penalties
30 imposed by this subsection shall be in addition to any other~~

~~penalties imposed by this article. For purposes of this subsection, the offering for sale or lease of any service or tangible personal property, the sale or use of which is subject to tax, during any calendar day, shall constitute a separate violation. The Secretary of Revenue may designate employees of the department to enforce the provisions of this subsection. The employees shall exhibit proof of and be within the scope of the designation when instituting proceedings as provided by the Pennsylvania Rules of Criminal Procedure.~~

~~(d) Failure of any person to obtain a license shall not relieve that person of liability to pay the tax imposed by this article.~~

~~Section 3. The act is amended by adding a section to read:~~

~~Section 281.3. Supplemental Public Transportation Assistance Fund Transfers. (a) One and twenty two one hundredths per cent (.0122) of the money collected from the tax imposed under this article, up to a maximum of ninety one million one hundred thousand dollars (\$91,100,000) for fiscal year 2003-2004 and seventy five million dollars (\$75,000,000) for fiscal years thereafter, shall be deposited in the Supplemental Public Transportation Account established in the State Treasury. Within 30 days of the close of a calendar month, 1.22 per cent (.0122) of the taxes received in the prior calendar month shall be transferred to the account. No funds in excess of ninety one million one hundred thousand dollars (\$91,100,000) for fiscal year 2003-2004 and seventy five million dollars (\$75,000,000) for fiscal years thereafter may be transferred to the account in any one fiscal year. The money in the account shall be used by the Department of Transportation for supplemental public transportation assistance to be distributed under 74 Pa.C.S. §~~

~~1310.1(b) (relating to supplemental public transportation assistance funding). Transit entities may use supplemental assistance moneys for any of the purposes enumerated in 74 Pa.C.S. § 1311 (relating to use of funds distributed). In addition to the enumerated purposes in 74 Pa.C.S. § 1311, class 1, 2 and 3 transit entities also may use the base supplemental assistance share and any amount received by virtue of disbursements in excess of seventy five million dollars (\$75,000,000) for fiscal year 2003-2004 pursuant to this subsection for general operations. Class 4 transit entities may use all supplemental assistance moneys for general operations.~~

~~(b) The words and phrases used in this section shall have the meanings given to them in 74 Pa.C.S. §§ 1310(f) (relating to distribution of funding) and 1310.1(c).~~

~~Section 4. Section 301(k) of the act, amended December 23, 1983 (P.L.370, No.90), is amended to read:~~

~~Section 301. Definitions. The following words, terms and phrases when used in this article shall have the meaning ascribed to them in this section except where the context clearly indicates a different meaning, and, unless specifically provided otherwise, any reference in this article to the Internal Revenue Code of 1986 shall mean the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.), as amended to January 1, 1997:~~

~~* * *~~

~~(k) "Income from sources within this Commonwealth" for a nonresident individual, estate or trust means the same as compensation, net profits, gains, dividends, interest or income enumerated and classified under section 303 of this article to the extent that it is earned, received or acquired from sources~~

1 ~~within this Commonwealth:~~

2 ~~(1) By reason [or] of ownership or disposition of any~~
3 ~~interest in real or tangible personal property in this~~
4 ~~Commonwealth; or~~

5 ~~(2) In connection with a trade, profession, occupation~~
6 ~~carried on in this Commonwealth or for the rendition of personal~~
7 ~~services performed in this Commonwealth; or~~

8 ~~(3) As a distributive share of the income of an~~
9 ~~unincorporated business, Pennsylvania S corporation, profession,~~
10 ~~enterprise, undertaking or other activity as the result of work~~
11 ~~done, services rendered or other business activities conducted~~
12 ~~in this Commonwealth, except as allocated to another state~~
13 ~~pursuant to regulations promulgated by the department under this~~
14 ~~article; or~~

15 ~~(4) From intangible personal property employed in a trade,~~
16 ~~profession, occupation or business carried on in this~~
17 ~~Commonwealth[.]; or~~

18 ~~(5) As gambling and lottery winnings by reason of a wager~~
19 ~~placed in this Commonwealth, the conduct of a game of chance or~~
20 ~~other gambling activity located in this Commonwealth or the~~
21 ~~redemption of a lottery prize from a lottery conducted in this~~
22 ~~Commonwealth, other than prizes of the Pennsylvania State~~
23 ~~Lottery.~~

24 ~~Provided, however, That "income from sources within this~~
25 ~~Commonwealth" for a nonresident individual, estate or trust~~
26 ~~shall not include any items of income enumerated above received~~
27 ~~or acquired from an investment company registered with the~~
28 ~~Federal Securities and Exchange Commission under the Investment~~
29 ~~Company Act of 1940.~~

30 ~~* * *~~

Section 5. ~~Section 302 of the act, added August 4, 1991~~
~~(P.L.97, No.22), is amended to read:~~

Section 302. ~~Imposition of Tax. (a) Every resident~~
~~individual, estate or trust shall be subject to, and shall pay~~
~~for the privilege of receiving each of the classes of income~~
~~hereinafter enumerated in section 303, a tax upon each dollar of~~
~~income received by that resident during that resident's taxable~~
~~year at the following rates:~~

~~(1) Two and one tenth per cent for taxable years commencing~~
~~with or within calendar year 1987 through the first half of the~~
~~taxable year commencing with or within calendar year 1991.~~

~~(2) Two and eight tenths per cent for the second half of the~~
~~taxable year commencing with or within calendar year 1991 [and~~
~~each taxable year thereafter] through the taxable year~~
~~commencing with or within calendar year 2003.~~

~~(3) A temporary assessment equal to an additional three~~
~~tenths per cent for the second half of the taxable year~~
~~commencing with or within calendar year 1991 through the first~~
~~half of the taxable year commencing with or within calendar year~~
~~1992.~~

~~(4) Three and twenty five one hundredths per cent for the~~
~~first half of the taxable year commencing with or within~~
~~calendar year 2004.~~

~~(5) Three and one tenth per cent for the second half of the~~
~~taxable year commencing with or within calendar year 2004 and~~
~~each taxable year thereafter.~~

~~(b) Every nonresident individual, estate or trust shall be~~
~~subject to, and shall pay for the privilege of receiving each of~~
~~the classes of income hereinafter enumerated in section 303 from~~
~~sources within this Commonwealth, a tax upon each dollar of~~

~~income received by that nonresident during that nonresident's taxable year at the following rates:~~

~~(1) Two and one tenth per cent for taxable years commencing with or within calendar year 1987 through the first half of the taxable year commencing with or within calendar year 1991.~~

~~(2) Two and eight tenths per cent for the second half of the taxable year commencing with or within calendar year 1991 [and each taxable year thereafter] through the taxable year commencing with or within calendar year 2003.~~

~~(3) A temporary assessment equal to an additional three tenths per cent for the second half of the taxable year commencing with or within calendar year 1991 through the first half of the taxable year commencing with or within calendar year 1992.~~

~~(4) Three and twenty five one hundredths per cent for the first half of the taxable year commencing with or within calendar year 2004.~~

~~(5) Three and one tenth per cent for the second half of the taxable year commencing with or within calendar year 2004 and each taxable year thereafter.~~

~~Section 5.1. Section 304(d) of the act, amended June 29, 2002 (P.L.559, No.89), is amended to read:~~

~~Section 304. Special Tax Provisions for Poverty. * * *~~

~~(d) Any claim for special tax provisions hereunder shall be determined in accordance with the following:~~

~~(1) If the poverty income of the claimant during an entire taxable year is six thousand five hundred dollars (\$6,500) or less, or, in the case of a married claimant, if the joint poverty income of the claimant and the claimant's spouse during an entire taxable year is thirteen thousand dollars (\$13,000) or~~

~~less, the claimant shall be entitled to a refund or forgiveness of any moneys which have been paid over to (or would except for the provisions of this act be payable to) the Commonwealth under the provisions of this article, with an additional income allowance of [nine thousand dollars (\$9,000)] nine thousand five hundred dollars (\$9,500) for each dependent of the claimant for taxable year 2004 and each taxable year thereafter. For purposes of this subsection, a claimant shall not be considered to be married if:~~

~~(i) The claimant and the claimant's spouse file separate returns; and~~

~~(ii) The claimant and the claimant's spouse live apart at all times during the last six months of the taxable year or are separated pursuant to a written separation agreement.~~

~~(2) If the poverty income of the claimant during an entire taxable year does not exceed the poverty income limitations prescribed by clause (1) by more than the dollar category contained in subclauses (i), (ii), (iii), (iv), (v), (vi), (vii), (viii) or (ix) of this clause, the claimant shall be entitled to a refund or forgiveness based on the per centage prescribed in such subclauses of any moneys which have been paid over to (or would have been except for the provisions herein be payable to) the Commonwealth under this article:~~

~~(i) Ninety per cent if not in excess of two hundred fifty dollars (\$250).~~

~~(ii) Eighty per cent if not in excess of five hundred dollars (\$500).~~

~~(iii) Seventy per cent if not in excess of seven hundred fifty dollars (\$750).~~

~~(iv) Sixty per cent if not in excess of one thousand dollars~~

1 ~~(\$1,000).~~

2 ~~(v) Fifty per cent if not in excess of one thousand two~~
3 ~~hundred fifty dollars (\$1,250).~~

4 ~~(vi) Forty per cent if not in excess of one thousand five~~
5 ~~hundred dollars (\$1,500).~~

6 ~~(vii) Thirty per cent if not in excess of one thousand seven~~
7 ~~hundred fifty dollars (\$1,750).~~

8 ~~(viii) Twenty per cent if not in excess of two thousand~~
9 ~~dollars (\$2,000).~~

10 ~~(ix) Ten per cent if not in excess of two thousand two~~
11 ~~hundred fifty dollars (\$2,250).~~

12 ~~(3) If an individual has a taxable year of less than twelve~~
13 ~~months, the poverty income thereof shall be annualized in such~~
14 ~~manner as the department may prescribe.~~

15 ~~Section 6. Section 330(b)(1) of the act, amended March 26,~~
16 ~~1991 (P.L.5, No.3), is amended to read:~~

17 ~~Section 330. Returns and Liability. * * *~~

18 ~~(b) (1) In the case of an individual serving in the armed~~
19 ~~forces of the United States in an area designated by the~~
20 ~~President of the United States by Executive order as a "combat~~
21 ~~[zone] zone," as described in section 7508 of the Internal~~
22 ~~Revenue Code of 1986 (Public Law 99 514, 26 U.S.C. § 7508), as~~
23 ~~amended, at any time during the period designated by the~~
24 ~~President by Executive order as the period of combatant~~
25 ~~activities in the combat zone or hospitalized as a result of~~
26 ~~injury received while serving in the combat zone during such~~
27 ~~time, or an individual serving in a military capacity as a~~
28 ~~result of a Federal callup to active duty or civilian capacity~~
29 ~~outside the boundary of this Commonwealth in support of such~~
30 ~~armed forces, the period of service in such area, plus the~~

~~period of qualified continuous hospitalization attributable to such injury, and the next one hundred eighty days thereafter shall be disregarded in determining, under this article, in respect of any tax liability, including any interest, penalty, additional amount or addition to the tax of such individual:~~

~~(i) Whether any of the following acts were performed within the time prescribed therefor:~~

~~(A) Filing any return of income tax, except income tax withheld at source;~~

~~(B) Payment of any income tax, except income tax withheld at source or any installment thereof or of any other liability to the Commonwealth in respect thereof;~~

~~(C) Filing a petition for redetermination of a deficiency or for review of a decision rendered by the department;~~

~~(D) Allowance of a credit or refund of any tax;~~

~~(E) Filing a claim for credit or refund of any tax;~~

~~(F) Bringing suit upon any such claim for credit or refund;~~

~~(G) Assessment of any tax;~~

~~(H) Giving or making any notice or demand for the payment of any tax or with respect to any liability to the Commonwealth in respect of any tax;~~

~~(I) Collection by the department, by levy or otherwise, of the amount of any liability in respect of any tax;~~

~~(J) Bringing suit by the Commonwealth, or any officer on its behalf, in respect of any liability in respect of any tax; and~~

~~(K) Any other act required or permitted under this article specified in regulations prescribed by the department;~~

~~(ii) The amount of any credit or refund, including interest.~~

~~* * *~~

~~Section 7. Section 335 of the act is amended by adding a~~

1 subsection to read:

2 Section 335. ~~Requirements Concerning Returns, Notices,~~
3 ~~Records and Statements. * * *~~

4 ~~(c) Any person who is required to make a form W 2G return to~~
5 ~~the Secretary of the Treasury of the United States in regard to~~
6 ~~taxable gambling or lottery winnings from sources within this~~
7 ~~Commonwealth shall file a copy of the form with the department~~
8 ~~by March 1 of each year or, if filed electronically, by March 31~~
9 ~~of each year.~~

10 Section 7.1. ~~Section 401(1)1 of the act, amended June 29,~~
11 ~~2002 (P.L.559, No.89), is amended to read:~~

12 Section 401. ~~Definitions. The following words, terms, and~~
13 ~~phrases, when used in this article, shall have the meaning~~
14 ~~ascribed to them in this section, except where the context~~
15 ~~clearly indicates a different meaning:~~

16 (1) ~~"Corporation." Any of the following:~~

17 (i) ~~A corporation.~~

18 (ii) ~~A joint stock association.~~

19 (iii) ~~A business trust, limited liability company or other~~
20 ~~entity which for Federal income tax purposes is classified as a~~
21 ~~corporation.~~

22 ~~The term does not include:~~

23 1. ~~A business trust which qualifies as a real estate~~
24 ~~investment trust under section 856 of the Internal Revenue Code~~
25 ~~of 1986 (Public Law 99-514, 26 U.S.C. § 856) or which is a~~
26 ~~qualified real estate investment trust subsidiary under section~~
27 ~~856(i) of the Internal Revenue Code of 1986 (26 U.S.C. §~~
28 ~~856(i)). [or a related business trust which confines its~~
29 ~~activities in this Commonwealth to the maintenance,~~
30 ~~administration and management of intangible investments and~~

~~activities of real estate investment trusts or qualified real estate investment trust subsidiaries. A business trust which is a qualified real estate investment trust subsidiary under section 856(i) of the Internal Revenue Code of 1986 (26 U.S.C. § 856(i)) shall be treated as part of the real estate investment trust which owns all of the stock of the qualified real estate investment trust subsidiary.]~~

~~* * *~~

~~Section 7.2. Section 402.2(b) of the act, amended or added June 29, 2002 (P.L.559, No.89), and December 30, 2002 (P.L.2080, No.232), is amended to read:~~

~~Section 402.2. Interests in Unincorporated Entities. * * *~~

~~(b) Subsection (a) does not apply to a corporation's interest in an entity described in section 401(1)1 or section 401(1)2[.] other than a real estate investment trust as defined in section 856 of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 856) more than fifty per cent of the voting power or value of the beneficial interests or shares of which are owned, directly or indirectly, by a single corporation that is not:~~

~~(1) a real estate investment trust as defined in section 856 of the Internal Revenue Code of 1986; or~~

~~(2) a qualified real estate investment trust subsidiary under section 856(i) of the Internal Revenue Code of 1986.~~

~~Section 8. The definition of "corporation" in section 601(a) of the act, amended June 29, 2002 (P.L.559, No.89), is amended to read:~~

~~Section 601. Definitions and Reports. (a) The following words, terms and phrases when used in this Article VI shall have the meaning ascribed to them in this section, except where the~~

context clearly indicates a different meaning:

* * *

"Corporation." (A) Any of the following entities:

(1) A corporation.

(2) A joint stock association.

(3) A business trust.

(4) A limited liability company[, other than]. This clause excludes a restricted professional company which is subject to 15 Pa.C.S. Ch. 89 Subch. L (relating to restricted professional companies)[,] and which is deemed to be a limited partnership pursuant to 15 Pa.C.S. § 8997 (relating to taxation of restricted professional companies).

(5) An entity which for Federal income tax purposes is classified as a corporation.

(6) A business trust or other entity which is a real estate investment trust as defined in section 856 of the Internal Revenue Code of 1986 (Public Law 99 514, 26 U.S.C. § 856) more than fifty per cent of the voting power or value of the beneficial interests or shares of which are owned, directly or indirectly, by a single corporation that is not:

(i) a real estate investment trust as defined in section 856 of the Internal Revenue Code of 1986; or

(ii) a qualified real estate investment trust subsidiary under section 856(i) of the Internal Revenue Code of 1986.

(B) The term does not include any of the following:

(1) A business trust which qualifies as a real estate investment trust under section 856 of the Internal Revenue Code of 1986 (26 U.S.C. § 856) or which is a qualified real estate investment trust subsidiary under section 856(i) of the Internal Revenue Code of 1986 (26 U.S.C. § 856(i)). [or a related

~~business trust which confines its activities in this Commonwealth to the maintenance, administration and management of intangible investments and activities of real estate investment trusts or qualified real estate investment trust subsidiaries. A business trust which is a qualified real estate investment trust subsidiary under section 856(i) of the Internal Revenue Code of 1986 (26 U.S.C. § 856(i)) shall be treated as part of the real estate investment trust which owns all of the stock of the qualified real estate investment trust subsidiary.]~~

~~(2) A business trust which qualifies as a regulated investment company under section 851 of the Internal Revenue Code of 1986 (26 U.S.C. § 851) and which is registered with the United States Securities and Exchange Commission under the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. § 80a-1 et seq.) or a related business trust which confines its activities in this Commonwealth to the maintenance, administration and management of intangible investments and activities of regulated investment companies.~~

~~(3) A corporation, trust or other entity which is an exempt organization as defined by section 501 of the Internal Revenue Code of 1986 (26 U.S.C. § 501).~~

~~(4) A corporation, trust or other entity organized as a not-for-profit organization under the laws of this Commonwealth or the laws of any other state which:~~

~~(i) would qualify as an exempt organization as defined by section 501 of the Internal Revenue Code of 1986 (26 U.S.C. § 501);~~

~~(ii) would qualify as a homeowners association as defined by section 528(c) of the Internal Revenue Code of 1986 (26 U.S.C. § 528(c)); or~~

~~(iii) is a membership organization subject to the Federal limitations on deductions from taxable income under section 277 of the Internal Revenue Code of 1986 (26 U.S.C. § 277) but only if no pecuniary gain or profit inures to any member or related entity from the membership organization.~~

~~(5) A cooperative agricultural association subject to 15 Pa.C.S. Ch. 75 (relating to cooperative agricultural associations).~~

~~(6) A business trust if the trust is all of the following:~~

~~(i) Created or managed by an entity which is subject to the tax imposed by Article VII or XV or which is an affiliate of the entity which shares at least eighty per cent common ownership.~~

~~(ii) Created and managed for the purpose of facilitating the securitization of intangible assets.~~

~~(iii) Classified as a partnership or a disregarded entity for Federal income tax purposes.~~

~~* * *~~

~~Section 9. Sections 602(h) and 607 of the act, amended or added June 29, 2002 (P.L.559, No.89), are amended to read:~~

~~Section 602. Imposition of Tax. * * *~~

~~(h) The rate of tax for purposes of the capital stock and franchise tax for taxable years beginning within the dates set forth shall be as follows:~~

Taxable Year	Regular Rate	Surtax	Total Rate
January 1, 1971, to			
December 31, 1986	10 mills	0	10 mills
January 1, 1987, to			
December 31, 1987	9 mills	0	9 mills
January 1, 1988, to			
December 31, 1990	9.5 mills	0	9.5 mills

1	January 1, 1991, to			
2	December 31, 1991	11 mills	2 mills	13 mills
3	January 1, 1992, to			
4	December 31, 1997	11 mills	1.75 mills	12.75 mills
5	January 1, 1998, to			
6	December 31, 1998	11 mills	-.99 mills	11.99 mills
7	January 1, 1999, to			
8	December 31, 1999	10.99 mills	0	10.99 mills
9	January 1, 2000, to			
10	December 31, 2000	8.99 mills	0	8.99 mills
11	January 1, 2001, to			
12	December 31, 2001	7.49 mills	0	7.49 mills
13	[January 1, 2002, to			
14	December 31, 2002	7.24 mills	0	7.24 mills
15	January 1, 2003, to			
16	December 31, 2003	6.99 mills	0	6.99 mills
17	January 1, 2004, to			
18	December 31, 2004	5.99 mills	0	5.99 mills
19	January 1, 2005, to			
20	December 31, 2005	4.99 mills	0	4.99 mills
21	January 1, 2006, to			
22	December 31, 2006	3.99 mills	0	3.99 mills
23	January 1, 2007, to			
24	December 31, 2007	2.99 mills	0	2.99 mills
25	January 1, 2008, to			
26	December 31, 2008	1.99 mills	0	1.99 mills
27	January 1, 2009, to			
28	December 31, 2009	-.99 mills	0	-.99 mills]
29	<u>January 1, 2002, to</u>			
30	<u>December 31, 2003</u>	<u>7.24 mills</u>	<u>0</u>	<u>7.24 mills</u>

~~January 1, 2004, to~~

December 31, 2004	6.99 mills	0	6.99 mills
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~~January 1, 2005, to~~

December 31, 2005	5.99 mills	0	5.99 mills
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~~January 1, 2006, to~~

December 31, 2006	4.99 mills	0	4.99 mills
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~~January 1, 2007, to~~

December 31, 2007	3.99 mills	0	3.99 mills
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~~January 1, 2008, to~~

December 31, 2008	2.99 mills	0	2.99 mills
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~~January 1, 2009, to~~

December 31, 2009	1.99 mills	0	1.99 mills
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~~January 1, 2010, to~~

December 31, 2010	.99 mills	0	.99 mills
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~~* * *~~

~~Section 607. Expiration. This article shall expire for taxable years beginning after December 31, [2009] 2010.~~

~~Section 10. The heading of Article XI is amended to read:~~

~~ARTICLE XI~~

~~[UTILITIES] GROSS RECEIPTS TAX~~

~~Section 11. Section 1101(a) and (i) of the act, amended May 24, 2000 (P.L.106, No.23), are amended and the section is amended by adding subsections to read:~~

~~Section 1101. Imposition of Tax. (a) General Rule. Every pipeline company, conduit company, steamboat company, canal company, slack water navigation company, transportation company, and every other company, association, joint stock association, or limited partnership, now or hereafter incorporated or organized by or under any law of this Commonwealth, or now or hereafter organized or incorporated by any other state or by the~~

1 ~~United States or any foreign government, and doing business in~~
2 ~~this Commonwealth, and every copartnership, person or persons~~
3 ~~owning, operating or leasing to or from another corporation,~~
4 ~~company, association, joint stock association, limited~~
5 ~~partnership, copartnership, person or persons, any pipeline,~~
6 ~~conduit, steamboat, canal, slack water navigation, or other~~
7 ~~device for the transportation of freight, passengers, baggage,~~
8 ~~or oil, except motor vehicles and railroads, and every limited~~
9 ~~partnership, association, joint stock association, corporation~~
10 ~~or company engaged in, or hereafter engaged in, the~~
11 ~~transportation of freight or oil within this State, and every~~
12 ~~telephone company [and], telegraph company or provider of mobile~~
13 ~~telecommunications services now or hereafter incorporated or~~
14 ~~organized by or under any law of this Commonwealth, or now or~~
15 ~~hereafter organized or incorporated by any other state or by the~~
16 ~~United States or any foreign government and doing business in~~
17 ~~this Commonwealth, and every limited partnership, association,~~
18 ~~joint stock association, copartnership, person or persons,~~
19 ~~engaged in telephone or telegraph business or providing mobile~~
20 ~~telecommunications services in this Commonwealth, shall pay to~~
21 ~~the State Treasurer, through the Department of Revenue, a tax of~~
22 ~~forty five mills with a surtax equal to five mills upon each~~
23 ~~dollar of the gross receipts of the corporation, company or~~
24 ~~association, limited partnership, joint stock association,~~
25 ~~copartnership, person or persons, received from:~~

26 ~~(1) passengers, baggage, oil and freight transported wholly~~
27 ~~within this State; and~~

28 ~~(2) telegraph or telephone messages transmitted wholly~~
29 ~~within this State[,]; or telegraph or telephone messages~~
30 ~~transmitted in interstate commerce where such messages originate~~

~~or terminate in this Commonwealth and the charges for such messages are billed to a service address in this Commonwealth; or mobile telecommunications services messages sourced to this Commonwealth based on the place of primary use standard set forth in the Mobile Telecommunications Sourcing Act (4 U.S.C. § 117); except gross receipts derived from:~~

~~(i) the sales of access to the Internet, as set forth in Article II, made to the ultimate consumer; and~~

~~(ii) the sales for resale to persons, partnerships, associations, corporations or political subdivisions subject to the tax imposed by this article upon gross receipts derived from such resale of telecommunications services and mobile telecommunications services, including:~~

~~(A) telecommunications exchange access to interconnect with a local exchange carrier's network; [and]~~

~~(B) network elements on an unbundled basis[.]; and~~

~~(C) sales of telecommunications services to interconnect with providers of mobile telecommunications services and sales of mobile telecommunications services to interconnect with providers of telecommunications services.~~

~~(a.1) Credit. Telegraph or telephone companies, or a provider of mobile telecommunications services that pays a gross receipts tax to another state on messages or services that are taxable under this article are entitled to a credit against the tax due under this article. The credit allowed with respect to the messages shall not exceed the tax due under this article with respect to the messages or services.~~

~~* * *~~

~~(c.1) Safe harbor base year. For purposes of the estimated tax requirements under sections 3003.2 and 3003.3, the "safe~~

~~harbor base year" tax amount for providers of mobile telecommunications services shall be the amount that would have been required to be paid by the taxpayer if the taxpayer had been subject to this article, apportioned for the number of days for which the tax imposed under this section is applicable during the taxable year.~~

~~* * *~~

~~(i) Itemization of Gross Receipts Tax.—~~

~~(1) [Interexchange] Except as provided in paragraph (2.1), interexchange telecommunications carriers may surcharge and disclose as a separate line item on a customer's bill all gross receipts taxes imposed on interexchange telecommunications carriers services performed wholly within this Commonwealth.~~

~~(2) For four monthly billing cycles from the effective date of this act, all interexchange telecommunications carriers shall provide the customer with information in the carriers' monthly billing that the gross receipts line item surcharge is not a tax increase, but merely a disclosure of taxes presently and previously paid by the customer.~~

~~(2.1) Telephone companies and providers of mobile telecommunications services may not itemize as a separate line item or include as a separate line item on a customer's bill any gross receipts taxes imposed on mobile telecommunications services or telephone or telegraph messages transmitted in interstate commerce subject to taxation under this article due to the enactment of this amendatory act.~~

~~(3) As used in this subsection, the term "interexchange telecommunications carrier" has the meaning as defined in 66 Pa.C.S. § 3002 (relating to definitions).~~

~~(j) Penalty for Substantial Underpayment of Initial~~

~~Estimated Gross Receipts Tax.~~

~~(1) If the amount of the estimated gross receipts tax paid by the due date on account of a taxpayer's first applicable taxable year under this article is less than seventy five per cent of the tax shown on the report for that taxable year or the amount of the tax settled or resettled if that amount exceeds the reported tax by more than ten per cent, then a penalty shall be imposed in an amount equal to five per cent of the difference between the tax reported or, if applicable, settled or resettled and the amount of the estimated tax paid by the due date.~~

~~(2) The penalty imposed by this subsection is in addition to any interest imposed on underpayments by section 3003.3.~~

~~(3) For the purposes of this subsection, the term "due date" shall mean the date seventy five days after this subsection becomes applicable or March 15, 2004, whichever is later.~~

~~Section 12. Section 1111 A of the act, added June 29, 2002 (P.L.559, No.89), is amended to read:~~

~~Section 1111 A. Surcharge. (a) By August 1, 2003, and by each August 1 thereafter, the Attorney General shall certify to the department a report containing the total reduction of liabilities, paid or unpaid, to the Commonwealth which are the result of a final adjudication of litigation or a settlement of litigation entered into by the Office of Attorney General for claims made under this article during the prior fiscal year.~~

~~(b) By August 1, 2003, and by each August 1 thereafter, the State Treasurer shall certify to the department a report containing the total reduction of liabilities, paid or unpaid, to the Commonwealth granted by the Board of Finance and Revenue which are the result of a final order not appealed by the department for claims made under this article during the prior~~

1 ~~fiscal year.~~

2 ~~(c) If the total reduction of liabilities reported to the~~
3 ~~department under subsections (a) and (b) exceed five million~~
4 ~~dollars (\$5,000,000) for the fiscal year, each entity subject to~~
5 ~~the tax imposed by section 1101 shall pay to the Commonwealth a~~
6 ~~surcharge upon each dollar of the gross receipts required to be~~
7 ~~reported under section 1101, except gross receipts from~~
8 ~~providing mobile telecommunications services or telephone or~~
9 ~~telegraph messages transmitted in interstate commerce, at the~~
10 ~~rate determined in accordance with subsection (d) for the~~
11 ~~following calendar year.~~

12 ~~(d) The Secretary of Revenue shall establish a surcharge~~
13 ~~rate by adding the total reduction in liabilities reported to~~
14 ~~the department under subsections (a) and (b) and dividing the~~
15 ~~sum by the total amount of taxable gross receipts reported to~~
16 ~~the department under section 1101, except gross receipts from~~
17 ~~providing mobile telecommunications services or telephone or~~
18 ~~telegraph messages transmitted in interstate commerce, for the~~
19 ~~prior calendar year or settled by the department as of August 1~~
20 ~~in the year the return is due. The surcharge rate shall be~~
21 ~~rounded to four decimal places, certified by the Secretary of~~
22 ~~Revenue to the Appropriations Committee of the Senate and the~~
23 ~~Appropriations Committee of the House of Representatives and~~
24 ~~published by the department by October 1, 2003, and by each~~
25 ~~October 1 thereafter in the Pennsylvania Bulletin.~~

26 ~~(e) If a surcharge is imposed for a calendar year, the~~
27 ~~secretary shall require entities subject to the surcharge to~~
28 ~~file a report consistent with the requirements of section 1101~~
29 ~~by March 15 of that calendar year.~~

30 ~~(f) The surcharge imposed by subsection (c) shall be paid~~

~~within the time prescribed by law. Parts III, IV, V, VI and VII of Article IV are incorporated by reference into this section insofar as they are consistent with this section and applicable to the surcharge imposed hereunder.~~

~~Section 13. Sections 1704 B, 1709 B(a) and 1711 B of the act, added May 7, 1997 (P.L.85, No.7), are amended to read:~~

~~Section 1704 B. Carryover, Carryback, Refund and Assignment of Credit. (a) [The amount of the research and development tax credit that a taxpayer may use against any one qualified tax liability during any year may not exceed fifty per cent of such qualified tax liability for that taxable year.] If the taxpayer cannot use the entire amount of the research and development tax credit for the taxable year in which the research and development tax credit is first approved, then the excess may be carried over to succeeding taxable years and used as a credit against the qualified tax liability of the taxpayer for those taxable years. Each time that the research and development tax credit is carried over to a succeeding taxable year, it is to be reduced by the amount that was used as a credit during the immediately preceding taxable year. The research and development tax credit provided by this article may be carried over and applied to succeeding taxable years for no more than fifteen taxable years following the first taxable year for which the taxpayer was entitled to claim the credit.~~

~~(b) A research and development tax credit approved by the department for Pennsylvania qualified research and development expense in a taxable year first shall be applied against the taxpayer's qualified tax liability for the current taxable year as of the date on which the credit was approved before the research and development tax credit is applied against any tax~~

1 ~~liability under subsection (a).~~

2 ~~(c) A taxpayer is not entitled to carry back[,] or obtain a~~
3 ~~refund of [or assign] an unused research and development tax~~
4 ~~credit.~~

5 ~~(d) A taxpayer, upon application to and approval by the~~
6 ~~Department of Community and Economic Development, may sell or~~
7 ~~assign, in whole or in part, a research and development tax~~
8 ~~credit granted to the taxpayer under this article if no claim~~
9 ~~for allowance of the credit is filed within one year from the~~
10 ~~date the credit is approved by the department under section~~
11 ~~1703 B. The Department of Community and Economic Development~~
12 ~~shall establish guidelines for the approval of applications~~
13 ~~under this subsection.~~

14 ~~(e) The purchaser or assignee of a portion of a research and~~
15 ~~development tax credit under subsection (d) shall immediately~~
16 ~~claim the credit in the taxable year in which the purchase or~~
17 ~~assignment is made. The amount of the research and development~~
18 ~~credit that a purchaser or assignee may use against any one~~
19 ~~qualified tax liability may not exceed seventy five per cent of~~
20 ~~such qualified tax liability for the taxable year. The purchaser~~
21 ~~or assignee may not carry over, carry back, obtain a refund of~~
22 ~~or assign the research and development tax credit. The purchaser~~
23 ~~or assignee shall notify the department of the seller or~~
24 ~~assignor of the research and development tax credit in~~
25 ~~compliance with procedures specified by the department.~~

26 ~~Section 1709 B. Limitation on Credits. (a) The total~~
27 ~~amount of credits approved by the department shall not exceed~~
28 ~~{fifteen million dollars (\$15,000,000)} thirty million dollars~~
29 ~~(\$30,000,000) in any fiscal year. Of that amount, [three million~~
30 ~~dollars (\$3,000,000)] six million dollars (\$6,000,000) shall be~~

~~allocated exclusively for small businesses. However, if the total amounts allocated to either the group of applicants exclusive of small businesses or the group of small business applicants is not approved in any fiscal year, the unused portion will become available for use by the other group of qualifying taxpayers.~~

~~* * *~~

~~Section 1711 B. Report to General Assembly. The secretary shall submit an annual report to the General Assembly indicating the effectiveness of the credit provided by this article no later than March 15 following the year in which the credits were approved. The report shall include the [number of] names of all taxpayers utilizing the credit as of the date of the report and the amount of credits approved and utilized by each taxpayer. Notwithstanding any law providing for the confidentiality of tax records, the information contained in the report shall be public information. The report may also include any recommendations for changes in the calculation or administration of the credit.~~

~~Section 14. The definition of "transfer of property for the sole use" in section 2102 of the act, added June 29, 2002 (P.L.559, No.89), is amended to read:~~

~~Section 2102. Definitions. The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning, and, unless specifically provided otherwise, any reference in this article to the Internal Revenue Code of 1986 shall mean the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.) as amended to June 1, 2001:~~

~~* * *~~

~~"Transfer of property for the sole use." A transfer to or for the use of a transferee if, during the transferee's lifetime, the transferee is entitled to all income and principal distributions from the property and no person, including the transferee, possesses [a] an inter vivos power of appointment over the property.~~

~~* * *~~

~~Section 14.1. Section 3003.2(a)(5), (b)(1) and (4.2), (c)(5) and (g) of the act, amended June 29, 2002 (P.L.559, No.89), are amended to read:~~

~~Section 3003.2. Estimated Tax. (a) The following taxpayers are required to pay estimated tax:~~

~~* * *~~

~~(5) Every person subject to the tax imposed by Article XI of this act shall make payments of estimated [utilities] gross receipts tax during its taxable year.~~

~~(b) The following words, terms and phrases when used in sections 3003.2 through 3003.4 of this article shall have the following meanings ascribed to them:~~

~~(1) "Estimated tax." Estimated corporate net income tax, estimated capital stock and franchise tax, estimated mutual thrift institution tax, estimated insurance premiums tax, estimated [utilities] gross receipts tax or estimated public utility realty surcharge.~~

~~* * *~~

~~(4.2) "Estimated [utilities] gross receipts tax." The amount which the taxpayer estimates as the amount of tax imposed by section 1101 of Article XI for the taxable year.~~

~~* * *~~

~~(c) Estimated tax shall be paid as follows:~~

~~* * *~~

~~(5) Payment of the estimated [utilities] gross receipts tax shall be made in a single installment on or before the fifteenth day of March of the taxable year. The remaining portion of the [utilities] gross receipts tax due, if any, shall be paid upon the date the annual report is required to be filed without reference to any extension of time for filing the report.~~

~~* * *~~

~~(g) For all purposes of sections 3003.2 through 3003.4 of this article, estimated corporate net income tax, estimated capital stock and franchise tax, estimated mutual thrift institutions tax, estimated insurance premiums tax, estimated [utilities] gross receipts tax and estimated public utility realty surcharge shall be separately reported, determined and treated.~~

~~* * *~~

~~Section 15. Section 3003.3(d) of the act, amended May 7, 1997 (P.L.85, No.7), is amended to read:~~

~~Section 3003.3. Underpayment of Estimated Tax. * * *~~

~~(d) Notwithstanding the provisions of the preceding subsections, interest with respect to any underpayment of any installment of estimated tax shall not be imposed if the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of such installment equals or exceeds the amount which would have been required to be paid on or before such date if the estimated tax were an amount equal to the tax computed at the rates applicable to the taxable year, including any minimum tax imposed, but otherwise on the basis of the facts shown on the report of the taxpayer for, and the law applicable to, the safe harbor base year, adjusted for any~~

~~1 changes to sections 401, 601 [and], 602 and 1101 enacted for the~~
~~2 taxable year, if a report showing a liability for tax was filed~~
~~3 by the taxpayer for the safe harbor base year. If the total~~
~~4 amount of all payments of estimated tax made on or before the~~
~~5 last date prescribed for the payment of such installment does~~
~~6 not equal or exceed the amount required to be paid per the~~
~~7 preceding sentence, but such amount is paid after the date the~~
~~8 installment was required to be paid, then the period of~~
~~9 underpayment shall run from the date the installment was~~
~~10 required to be paid to the date the amount required to be paid~~
~~11 per the preceding sentence is paid. Provided, that if the~~
~~12 settled tax for the safe harbor base year exceeds the tax shown~~
~~13 on such report by ten per cent or more, the settled tax adjusted~~
~~14 to reflect the current tax rate shall be used for purposes of~~
~~15 this subsection, except that, if the settled tax is subsequently~~
~~16 resettled, the amount of tax as resettled shall be utilized in~~
~~17 the application of this subsection without the necessity of the~~
~~18 filing of any petition by the department or by the taxpayer. In~~
~~19 the event that the settled or resettled tax for the safe harbor~~
~~20 base year exceeds the tax shown on the report by ten per cent or~~
~~21 more, interest resulting from the utilization of such settled or~~
~~22 resettled tax in the application of the provisions of this~~
~~23 subsection shall not be imposed if, within forty five days of~~
~~24 the mailing date of such settlement or resettlement, payments~~
~~25 are made such that the total amount of all payments of estimated~~
~~26 tax equals or exceeds the amount which would have been required~~
~~27 to be paid on or before such date if the estimated tax were an~~
~~28 amount equal to such settled or resettled tax adjusted to~~
~~29 reflect the current tax rate. In any case in which the taxable~~
~~30 year for which an underpayment of estimated tax may exist is a~~

~~short taxable year, in determining the tax shown on the report or the settled or resettled tax for the safe harbor base year, the tax will be reduced by multiplying it by the ratio of the number of installment payments made in the short taxable year to the number of installment payments required to be made for the full taxable year.~~

~~Section 16. The act is amended by adding sections to read:~~

~~Section 3003.15. Tax Clearance for Licenses, Permits and Registrations. (a) Except as set forth in subsection (c), an applicant for the grant, renewal or transfer of any license shall provide to the licensing agency, upon forms approved by the department, the following:~~

~~(1) the applicant's State personal income tax identification number;~~

~~(2) the applicant's State sales tax number;~~

~~(3) the applicant's State corporation tax number;~~

~~(4) the applicant's State employer withholding tax number;~~

~~(5) the applicant's unemployment compensation account number; and~~

~~(6) a statement of whether:~~

~~(i) all State tax reports have been filed and all State taxes paid;~~

~~(ii) all State taxes are subject to a timely administrative or judicial appeal; or~~

~~(iii) all State taxes are subject to a duly approved deferred payment plan.~~

~~(b) A license application shall be deemed to be incomplete and a licensing agency shall not approve any application for the grant, renewal or transfer of any license when a licensee does not provide the information required by subsection (a).~~

~~(c) An applicant for the grant, renewal or transfer of a license issued by the Pennsylvania Securities Commission shall comply with any regulation or order adopted by the commission for the implementation of subsection (a).~~

~~(d) Upon the filing of an application with a licensing agency for the grant, renewal or transfer of any license, the applicant waives any confidentiality with respect to State tax information regarding the applicant in the possession of the department, the Office of Attorney General or the Department of Labor and Industry, regardless of the source of that information and consents to the provision of that information to the licensing agency by the department, the Office of Attorney General or the Department of Labor and Industry.~~

~~(e) Upon receipt of any application for the grant, renewal or transfer of any license, the licensing agency shall forward State tax information regarding the applicant to the department, the Office of Attorney General and the Department of Labor and Industry. The licensing agency, the department, the Office of Attorney General and the Department of Labor and Industry may use reasonable parameters in determining whether an applicant has filed required State tax reports or paid State tax due. If a State tax is delinquent or a required report has not been filed, the taxing agency shall issue a notice to the licensing agency and to the licensee or applicant as provided in subsection (f) specifying that the applicant or licensee has not filed the required return or paid a State tax. For purposes of this paragraph, a State tax is delinquent when it is subject to collection action by the taxing agency and is neither subject to a timely administrative or judicial appeal nor subject to a duly authorized deferred payment plan.~~

~~(f) Notice to licensee or applicant for license or transfer of license shall be as follows:~~

~~(1) Prior to the issuance of an order to suspend, to not renew or to deny a license, the applicable taxing agency shall provide notice to the applicant or licensee as set forth in subsection (e). The notice must specify:~~

~~(i) Any reports which must be filed and any amounts owed.~~

~~(ii) How, when and where the notice can be contested.~~

~~(iii) Where payment may be made in order to cure the State tax delinquency or whom the individual may contact to attempt to establish a payment plan.~~

~~(iv) That the grounds for contesting the notice are limited to mistaken identity of the licensee.~~

~~(v) That an order to deny an application for license or transfer or automatically suspend the license will be issued forty five days after issuance of the notice unless the delinquent report is filed, the State tax is paid or a payment plan is approved by the applicable taxing agency.~~

~~(2) An agreement providing for a periodic payment plan shall specify that failure to comply with the schedule of payments shall result in the immediate suspension, nonrenewal or denial of the license without further right to a hearing.~~

~~(3) To contest the notice or obtain a payment plan, the licensee or applicant must contact the applicable taxing agency not later than twenty days after issuance of the notice. The grounds for contesting shall be limited to mistaken identity. If, as determined by the taxing agency, a mistake has occurred, the notice provided to the licensing agency under subsection (e) shall be modified accordingly within twenty days of the appropriate taxing agency being contacted.~~

~~(g) A person that practices a trade, profession or occupation or conducts a business activity without a license under this section shall be guilty of a misdemeanor. The penalty imposed under this section shall be in addition to any other penalty imposed by law.~~

~~(h) If during the effective period of any license, the licensee fails to file any required State tax report, fails to pay any collectible State tax due or defaults in a deferred payment plan, the department, the Office of Attorney General or the Department of Labor and Industry, after complying with subsection (f), may notify the licensing agency which shall suspend or not renew any license issued to the licensee. Notwithstanding the provisions of any other statute, the license suspension or nonrenewal shall be for an indefinite period of time and shall remain in effect until the licensee files the required reports, pays the State tax due or cures the deferred payment plan default.~~

~~(i) The appropriate taxing agency may stay the process for suspension, nonrenewal or denial beyond the notice period specified in subsection (f)(1)(v) if additional time is required for it to process a case or reach a payment plan with the licensee. The taxing agency shall notify the licensing agency of the intent to stay the suspension, nonrenewal or denial at least five working days before the notice period has expired.~~

~~(j) A licensing agency may make a determination that a license is vital to prevent an immediate threat to the health, safety and welfare of the public. The licensing agency shall notify the applicable taxing agency of the determination. If this determination is made, the licensing agency may use its discretion to renew a license or not suspend a license but may~~

~~not grant a license to a new applicant until the applicant files the required reports, pays the State tax due or cures the deferred payment plan default.~~

~~(k) The provisions of this section shall also be applicable to any management company utilized by the applicant.~~

~~(l) For the purpose of this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:~~

~~"Applicant." A person that applies to a licensing agency for a license or applies for renewal or in the case of the transfer of an existing license, the transferor or the transferee.~~

~~"Department." The Department of Revenue of the Commonwealth.~~

~~"License." A license, permit or registration granted or issued by a licensing agency that confers benefits, privileges or rights to the licensee, permit holder or registrant to practice a trade, profession or occupation or to conduct a business activity within this Commonwealth.~~

~~"Licensing agency." The Department of Revenue, the Department of Labor and Industry, the Department of Environmental Protection, the Department of Banking, the Department of State, the Insurance Department or the Pennsylvania Securities Commission.~~

~~"State tax." A tax liability, including interest, penalty and additions of a taxpayer, licensee, employer or other person imposed under this act, the act of December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the "Unemployment Compensation Law," or 75 Pa.C.S. § 9014 (relating to collection of unpaid taxes).~~

~~"Taxing agency." The Department of Revenue or the Department of Labor and Industry.~~

~~Section 3003.16. Authority to Attach Wages, Commissions and Other Earnings. (a) The Department of Revenue may, upon the presentation of a written notice and demand certifying that the information contained within is true and correct and containing the name of the taxpayer and the amount of delinquent State tax due plus the department's costs, demand, receive and collect the amount from any entity:~~

~~(1) employing persons owing delinquent State taxes; or~~

~~(2) having in its possession unpaid commissions or earnings belonging to any person or persons owing delinquent State taxes.~~

~~(b) Subject to the limitations in subsection (c), upon the receipt of a written notice and demand pursuant to subsection (a), an entity shall deduct from the wages of an individual employe the amount shown on the notice and shall forward the amount to the department within sixty days after receipt of the notice.~~

~~(c) No more than ten per cent of the wages of an individual employe who is a delinquent taxpayer may be deducted at any one time for delinquent State taxes and costs. The entity is entitled to deduct from the amount collected from the individual employe the costs incurred by the entity for the extra bookkeeping necessary to record the transactions, but not to exceed two per cent of the amount collected from the individual employe.~~

~~(d) Upon the failure of an entity to deduct or forward an amount required under this section within the time period required under subsection (b), the entity shall pay the amount of the delinquent State tax and costs for each individual employe who is a delinquent taxpayer subject to a demand in addition to a penalty of ten per cent of the delinquent State~~

~~tax and costs. An entity paying delinquent taxes, costs and a penalty pursuant to this subsection shall not have the benefit of any stay of execution or exemption law.~~

~~(c) The following words, terms and phrases, when used in this section, shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:~~

~~"Entity." The United States, the Commonwealth or any of its political subdivisions, a corporation, an association, a company, a firm or an individual.~~

~~"Wages." Any wages, commissions or earnings of an individual employe:~~

~~(1) which are currently owed to the individual employe;~~

~~(2) which shall become due within sixty days of receipt of a written notice and demand pursuant to subsection (b);~~

~~(3) any unpaid commissions or earnings of an individual employe in the entity's possession; or~~

~~(4) any unpaid commissions or earnings of an individual employe that comes into the entity's possession within sixty days of receipt of a written notice and demand pursuant to subsection (a).~~

~~Section 3003.17. Keystone Opportunity Zones. (a) Notwithstanding section 301.1(c) of the act of October 6, 1998 (P.L.705, No.92), known as the "Keystone Opportunity Zone and Keystone Opportunity Expansion Zone Act," the last date for the passing of ordinances, resolutions or other required action of a qualified political subdivision seeking to enhance the size of an approved expansion subzone within its jurisdiction under that act for the tax exemptions, deductions, abatements or credits set forth in Chapters 5 and 7 of that act shall be ninety days~~

~~after the effective date of this section.~~

~~(b) Notwithstanding section 301.2(c) of the "Keystone Opportunity Zone and Keystone Opportunity Expansion Zone Act," the last date for the filing by a political subdivision for approval of the designation of a deteriorated property as an improvement subzone under that act for the tax exemptions, deductions, abatements or credits set forth in Chapters 5 and 7 of that act shall be two hundred and twenty days after the effective date of this section.~~

~~(c) Notwithstanding section 303(a) of the "Keystone Opportunity Zone and Keystone Opportunity Expansion Zone Act," an application for enhancement of an existing keystone opportunity zone or of an existing keystone opportunity expansion zone under that act for the tax exemptions, deductions, abatements or credits set forth in Chapters 5 and 7 of that act must be received by the department by December 31, 2003.~~

~~(d) Notwithstanding section 303(c) of the "Keystone Opportunity Zone and Keystone Opportunity Expansion Zone Act," the department shall designate all enhancements to existing keystone opportunity zones and keystone opportunity expansion zones under that act for the tax exemptions, deductions, abatements or credits set forth in Chapters 5 and 7 of that act by March 30, 2004.~~

~~(e) As used in this section, the following words and phrases shall have the meanings given to them in this subsection:~~

~~"Department." The Department of Community and Economic Development of the Commonwealth.~~

~~"Deteriorated property." As defined in section 103 of the "Keystone Opportunity Zone and Keystone Opportunity Expansion~~

~~Zone Act."~~

~~"Expansion subzone." As defined in section 103 of the
"Keystone Opportunity Zone and Keystone Opportunity Expansion
Zone Act."~~

~~"Improvement zone." As defined in section 103 of the
"Keystone Opportunity Zone and Keystone Opportunity Expansion
Zone Act."~~

~~"Keystone opportunity expansion zone." As defined in section
103 of the "Keystone Opportunity Zone and Keystone Opportunity
Expansion Zone Act."~~

~~"Keystone opportunity zone." As defined in section 103 of
the "Keystone Opportunity Zone and Keystone Opportunity
Expansion Zone Act."~~

~~"Political subdivision." As defined in section 103 of the
"Keystone Opportunity Zone and Keystone Opportunity Expansion
Zone Act."~~

~~"Qualified political subdivision." As defined in section 103
of the "Keystone Opportunity Zone and Keystone Opportunity
Expansion Zone Act."~~

~~Section 17. The following shall apply:~~

~~(1) Upon his determination of need, the Governor may
certify simultaneously to the President pro tempore of the
Senate, the Speaker of the House of Representatives and the
Secretary of Revenue that the balance in the Budget
Stabilization Reserve Fund is less than \$500,000 and that
revenues from the taxes authorized by the amendment of
section 1101 of the act are necessary to uphold the
Commonwealth's constitutional responsibility to provide for
the maintenance and support of a thorough and efficient
system of public education. Upon the Governor's~~

1 ~~certification, the Secretary of Revenue shall certify the~~
2 ~~date that the taxes on the providers of interstate telephone~~
3 ~~service and mobile telecommunications service authorized~~
4 ~~under the amendment of section 1101 of the act shall apply.~~
5 ~~The certified date shall be as soon as practicable following~~
6 ~~certification of the Governor, but in no event before January~~
7 ~~1, 2004.~~

8 ~~(2) A notice of the Secretary of Revenue's certification~~
9 ~~shall be published in the Pennsylvania Bulletin.~~

10 ~~Section 18. The following acts and parts of acts are~~
11 ~~repealed:~~

12 ~~(1) Section 1702 A(b) of the act of April 9, 1929~~
13 ~~(P.L.343, No.176), known as The Fiscal Code.~~

14 ~~(2) The provisions of 74 Pa.C.S. § 1310.1(a).~~

15 ~~Section 19. This act shall apply as follows:~~

16 ~~(1) The amendment of section 201(d)(17) of the act shall~~
17 ~~apply to sales at retail or uses occurring on or after the~~
18 ~~date certified by the Secretary of Revenue under section 17~~
19 ~~of this act.~~

20 ~~(2) The amendment of section 301(k) of the act shall~~
21 ~~apply to taxable years beginning after December 31, 2003.~~

22 ~~(3) The amendment of section 330 of the act shall apply~~
23 ~~retroactively to taxable years beginning after December 31,~~
24 ~~2001.~~

25 ~~(4) The amendment of section 335 of the act shall apply~~
26 ~~to taxable years beginning after December 31, 2003.~~

27 ~~(4.1) The amendment of section 401(1)1 of the act shall~~
28 ~~apply retroactively to June 29, 2002, and shall be considered~~
29 ~~as a codification of the law then in effect.~~

30 ~~(4.2) The amendment of section 402.2(b) of the act shall~~

1 ~~apply to tax years beginning on or after the effective date~~
2 ~~of this paragraph.~~

3 ~~(5) (i) The amendment of the definition of~~
4 ~~"corporation" in section 601(a)(4) of the act shall apply~~
5 ~~retroactively to June 29, 2002, and shall be considered~~
6 ~~as a codification of the law then in effect.~~

7 ~~(ii) The addition of section 601(a)(6) of the act~~
8 ~~shall apply to tax years beginning on or after the~~
9 ~~effective date of this paragraph.~~

10 ~~(iii) The amendment of section 601(b)(1) of the act~~
11 ~~shall apply retroactively to June 29, 2002, and shall be~~
12 ~~considered as a codification of the law then in effect.~~

13 ~~(6) The amendment of section 1101 of the act shall apply~~
14 ~~to gross receipts derived from transactions occurring on or~~
15 ~~after the date certified by the Secretary of Revenue under~~
16 ~~section 17 of this act.~~

17 ~~(7) The amendment of section 1704 B(a) of the act shall~~
18 ~~apply to taxable years beginning after December 31, 2003.~~

19 ~~(8) The amendment or addition of section 1704 B(c), (d)~~
20 ~~and (e) of the act shall apply to credits awarded after~~
21 ~~December 31, 2002.~~

22 ~~(9) The amendment of section 1709 B(a) of the act shall~~
23 ~~apply to credits awarded after December 31, 2003.~~

24 ~~(10) The amendment of section 1711 B of the act shall~~
25 ~~apply to credits awarded after December 31, 2002.~~

26 ~~(11) Section 18(1)(repeal of section 1702 A(b) of The~~
27 ~~Fiscal Code) of this act shall apply retroactively to June~~
28 ~~30, 2003.~~

29 ~~(12) The amendment of the definition of "transfer of~~
30 ~~property for the sole use" in section 2102 of the act shall~~

~~apply retroactively to June 29, 2002.~~

~~(13) The addition of section 3003.15 of the act shall
apply to applications for the grant, renewal or transfer of
any license received more than 60 days after the effective
date of this section.~~

~~Section 20. This act shall take effect immediately.~~

SECTION 1. SECTION 201(D) OF THE ACT OF MARCH 4, 1971
(P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, IS AMENDED
BY ADDING A SUBCLAUSE AND THE SECTION IS AMENDED BY ADDING A
CLAUSE TO READ:

SECTION 201. DEFINITIONS.--THE FOLLOWING WORDS, TERMS AND
PHRASES WHEN USED IN THIS ARTICLE II SHALL HAVE THE MEANING
ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT
CLEARLY INDICATES A DIFFERENT MEANING:

* * *

(D) "PROCESSING." THE PERFORMANCE OF THE FOLLOWING
ACTIVITIES WHEN ENGAGED IN AS A BUSINESS ENTERPRISE:

* * *

(17) THE PRODUCING OF MOBILE TELECOMMUNICATIONS SERVICES.

* * *

(DDD) "CALL CENTER." THE PHYSICAL LOCATION IN THIS
COMMONWEALTH:

(1) WHERE AT LEAST ONE HUNDRED AND FIFTY EMPLOYEES ARE
EMPLOYED TO INITIATE OR ANSWER TELEPHONE CALLS;

(2) WHERE THERE ARE AT LEAST TWO HUNDRED TELEPHONE LINES;

AND

(3) WHICH UTILIZES AN AUTOMATED CALL DISTRIBUTION SYSTEM FOR
CUSTOMER TELEPHONE CALLS IN ONE OR MORE OF THE FOLLOWING
ACTIVITIES:

(A) CUSTOMER SERVICE AND SUPPORT;

1 (B) TECHNICAL ASSISTANCE;

2 (C) HELP DESK SERVICE;

3 (D) PROVIDING INFORMATION;

4 (E) CONDUCTING SURVEYS;

5 (F) REVENUE COLLECTIONS; OR

6 (G) RECEIVING ORDERS OR RESERVATIONS.

7 FOR PURPOSES OF THIS CLAUSE, A PHYSICAL LOCATION MAY INCLUDE
8 MULTIPLE BUILDINGS UTILIZED BY A TAXPAYER LOCATED WITHIN THIS
9 COMMONWEALTH.

10 SECTION 2. SECTION 204 OF THE ACT IS AMENDED BY ADDING A
11 CLAUSE TO READ:

12 SECTION 204. EXCLUSIONS FROM TAX.--THE TAX IMPOSED BY
13 SECTION 202 SHALL NOT BE IMPOSED UPON ANY OF THE FOLLOWING:

14 * * *

15 (64) THE SALE AT RETAIL TO OR USE BY A CONSTRUCTION
16 CONTRACTOR, EMPLOYED BY A PUBLIC SCHOOL DISTRICT PURSUANT TO A
17 CONSTRUCTION CONTRACT, OF ANY MATERIALS AND BUILDING SUPPLIES,
18 WHICH, DURING CONSTRUCTION OR RECONSTRUCTION, ARE MADE PART OF
19 ANY PUBLIC SCHOOL BUILDING UTILIZED FOR INSTRUCTIONAL CLASSROOM
20 EDUCATION WITHIN THIS COMMONWEALTH, IF THE CONSTRUCTION OR
21 RECONSTRUCTION:

22 (I) IS NECESSITATED BY A DISASTER EMERGENCY, AS DEFINED IN
23 35 PA.C.S. § 7102 (RELATING TO DEFINITIONS); AND

24 (II) TAKES PLACE DURING THE PERIOD WHEN THERE IS A
25 DECLARATION OF DISASTER EMERGENCY UNDER 35 PA.C.S. § 7301(C)
26 (RELATING TO GENERAL AUTHORITY OF GOVERNOR).

27 SECTION 3. SECTION 206 OF THE ACT, AMENDED SEPTEMBER 9, 1971
28 (P.L.437, NO.105), IS AMENDED TO READ:

29 SECTION 206. CREDIT AGAINST TAX.--(A) A CREDIT AGAINST THE
30 TAX IMPOSED BY [THIS ACT] SECTION 202 SHALL BE GRANTED WITH

1 RESPECT TO TANGIBLE PERSONAL PROPERTY OR SERVICES PURCHASED FOR
2 USE OUTSIDE THE COMMONWEALTH EQUAL TO THE TAX PAID TO ANOTHER
3 STATE BY REASON OF THE IMPOSITION BY SUCH OTHER STATE OF A TAX
4 SIMILAR TO THE TAX IMPOSED BY THIS ARTICLE: PROVIDED, HOWEVER,
5 THAT NO SUCH CREDIT SHALL BE GRANTED UNLESS SUCH OTHER STATE
6 GRANTS SUBSTANTIALLY SIMILAR TAX RELIEF BY REASON OF THE PAYMENT
7 OF TAX UNDER THIS ARTICLE OR UNDER THE TAX ACT OF 1963 FOR
8 EDUCATION.

9 (B) A CREDIT AGAINST THE TAX IMPOSED BY SECTION 202 ON
10 TELECOMMUNICATIONS SERVICES SHALL BE GRANTED TO A CALL CENTER
11 FOR GROSS RECEIPTS TAX PAID BY A TELEPHONE COMPANY ON THE
12 RECEIPTS DERIVED FROM THE SALE OF INCOMING AND OUTGOING
13 INTERSTATE TELECOMMUNICATIONS SERVICES TO THE CALL CENTER UNDER
14 SECTION 1101(A)(2). THE FOLLOWING APPLY:

15 (1) A TELEPHONE COMPANY, UPON REQUEST, SHALL NOTIFY A CALL
16 CENTER OF THE AMOUNT OF GROSS RECEIPTS TAX PAID BY THE TELEPHONE
17 COMPANY ON THE RECEIPTS DERIVED FROM THE SALE OF INCOMING AND
18 OUTGOING INTERSTATE TELECOMMUNICATIONS SERVICES TO THE CALL
19 CENTER.

20 (2) A CALL CENTER THAT IS ELIGIBLE FOR THE CREDIT IN THIS
21 SUBSECTION MAY APPLY FOR A TAX CREDIT AS SET FORTH IN THIS
22 SUBSECTION.

23 (3) BY FEBRUARY 15, A TAXPAYER MUST SUBMIT AN APPLICATION TO
24 THE DEPARTMENT FOR GROSS RECEIPTS TAX PAID ON THE RECEIPTS
25 DERIVED FROM THE SALE OF INCOMING AND OUTGOING INTERSTATE
26 TELECOMMUNICATIONS SERVICES INCURRED IN THE PRIOR CALENDAR YEAR.

27 (4) BY APRIL 15 OF THE CALENDAR YEAR FOLLOWING THE CLOSE OF
28 THE CALENDAR YEAR DURING WHICH THE GROSS RECEIPTS TAX WAS
29 INCURRED, THE DEPARTMENT SHALL NOTIFY THE APPLICANT OF THE
30 AMOUNT OF THE APPLICANT'S TAX CREDIT APPROVED BY THE DEPARTMENT.

1 (5) THE TOTAL AMOUNT OF TAX CREDITS PROVIDED FOR IN THIS
2 SUBSECTION AND APPROVED BY THE DEPARTMENT SHALL NOT EXCEED
3 THIRTY MILLION DOLLARS (\$30,000,000) IN ANY FISCAL YEAR. IF THE
4 TOTAL AMOUNT OF TAX CREDITS APPLIED FOR BY ALL APPLICANTS
5 EXCEEDS THE AMOUNT ALLOCATED FOR THOSE CREDITS, THEN THE CREDIT
6 TO BE RECEIVED BY EACH APPLICANT SHALL BE DETERMINED AS FOLLOWS:

7 (I) DIVIDE:

8 (A) THE TAX CREDIT APPLIED FOR BY THE APPLICANT; BY

9 (B) THE TOTAL OF ALL TAX CREDITS APPLIED FOR BY ALL
10 APPLICANTS.

11 (II) MULTIPLY:

12 (A) THE QUOTIENT UNDER SUBPARAGRAPH (I); BY

13 (B) THE AMOUNT ALLOCATED FOR ALL TAX CREDITS.

14 SECTION 4. SECTION 208 OF THE ACT, AMENDED AUGUST 4, 1991
15 (P.L.97, NO.22), JUNE 16, 1994 (P.L.279, NO.48), JUNE 30, 1995
16 (P.L.139, NO.21), AND JUNE 29, 2002 (P.L.559, NO.89), IS AMENDED
17 TO READ:

18 SECTION 208. LICENSES.--(A) EVERY PERSON MAINTAINING A
19 PLACE OF BUSINESS IN THIS COMMONWEALTH, SELLING OR LEASING
20 SERVICES OR TANGIBLE PERSONAL PROPERTY, THE SALE OR USE OF WHICH
21 IS SUBJECT TO TAX AND WHO HAS NOT HITHERTO OBTAINED A LICENSE
22 FROM THE DEPARTMENT, SHALL, PRIOR TO THE BEGINNING OF BUSINESS
23 THEREAFTER, MAKE APPLICATION TO THE DEPARTMENT, ON A FORM
24 PRESCRIBED BY THE DEPARTMENT, FOR A LICENSE. IF SUCH PERSON
25 MAINTAINS MORE THAN ONE PLACE OF BUSINESS IN THIS COMMONWEALTH,
26 THE LICENSE SHALL BE ISSUED FOR THE PRINCIPAL PLACE OF BUSINESS
27 IN THIS COMMONWEALTH.

28 (B) THE DEPARTMENT SHALL, AFTER THE RECEIPT OF AN
29 APPLICATION, ISSUE THE LICENSE APPLIED FOR UNDER SUBSECTION (A)
30 OF THIS SECTION, PROVIDED SAID APPLICANT SHALL HAVE FILED ALL

1 REQUIRED STATE TAX REPORTS AND PAID ANY STATE TAXES NOT SUBJECT
2 TO A TIMELY PERFECTED ADMINISTRATIVE OR JUDICIAL APPEAL OR
3 SUBJECT TO A DULY AUTHORIZED DEFERRED PAYMENT PLAN. SUCH LICENSE
4 SHALL BE NONASSIGNABLE. ALL LICENSEES AS OF THE EFFECTIVE DATE
5 OF THIS SUBSECTION SHALL BE REQUIRED TO FILE FOR RENEWAL OF SAID
6 LICENSE ON OR BEFORE JANUARY 31, 1992. LICENSES ISSUED THROUGH
7 APRIL 30, 1992, SHALL BE BASED ON A STAGGERED RENEWAL SYSTEM
8 ESTABLISHED BY THE DEPARTMENT. THEREAFTER, ANY LICENSE ISSUED
9 SHALL BE VALID FOR A PERIOD OF FIVE YEARS.

10 (B.1) IF AN APPLICANT FOR A LICENSE OR ANY PERSON HOLDING A
11 LICENSE HAS NOT FILED ALL REQUIRED STATE TAX REPORTS AND PAID
12 ANY STATE TAXES NOT SUBJECT TO A TIMELY PERFECTED ADMINISTRATIVE
13 OR JUDICIAL APPEAL OR SUBJECT TO A DULY AUTHORIZED DEFERRED
14 PAYMENT PLAN, THE DEPARTMENT MAY REFUSE TO ISSUE, MAY SUSPEND OR
15 MAY REVOKE SAID LICENSE. THE DEPARTMENT SHALL NOTIFY THE
16 APPLICANT OR LICENSEE OF ANY REFUSAL, SUSPENSION OR REVOCATION.
17 SUCH NOTICE SHALL CONTAIN A STATEMENT THAT THE REFUSAL,
18 SUSPENSION OR REVOCATION MAY BE MADE PUBLIC. SUCH NOTICE SHALL
19 BE MADE BY FIRST CLASS MAIL. AN APPLICANT OR LICENSEE AGGRIEVED
20 BY THE DETERMINATION OF THE DEPARTMENT MAY FILE AN APPEAL
21 PURSUANT TO THE PROVISIONS FOR ADMINISTRATIVE APPEALS IN THIS
22 ARTICLE. IN THE CASE OF A SUSPENSION OR REVOCATION WHICH IS
23 APPEALED, THE LICENSE SHALL REMAIN VALID PENDING A FINAL OUTCOME
24 OF THE APPEALS PROCESS. NOTWITHSTANDING SECTIONS 274, 353(F),
25 408(B), 603, 702, 802, 904 AND 1102 OF THE ACT OR ANY OTHER
26 PROVISION OF LAW TO THE CONTRARY, IF NO APPEAL IS TAKEN OR IF AN
27 APPEAL IS TAKEN AND DENIED AT THE CONCLUSION OF THE APPEAL
28 PROCESS, THE DEPARTMENT MAY DISCLOSE, BY PUBLICATION OR
29 OTHERWISE, THE IDENTITY OF A PERSON AND THE FACT THAT THE
30 PERSON'S LICENSE HAS BEEN REFUSED, SUSPENDED OR REVOKED UNDER

1 THIS SUBSECTION. DISCLOSURE MAY INCLUDE THE BASIS FOR REFUSAL,
2 SUSPENSION OR REVOCATION.

3 (C) A PERSON THAT MAINTAINS A PLACE OF BUSINESS IN THIS
4 COMMONWEALTH FOR THE PURPOSE OF SELLING OR LEASING SERVICES OR
5 TANGIBLE PERSONAL PROPERTY, THE SALE OR USE OF WHICH IS SUBJECT
6 TO TAX, WITHOUT HAVING FIRST BEEN LICENSED BY THE DEPARTMENT
7 SHALL BE GUILTY OF A SUMMARY OFFENSE AND, UPON CONVICTION
8 THEREOF, BE SENTENCED TO PAY A FINE OF NOT LESS THAN THREE
9 HUNDRED DOLLARS (\$300) NOR MORE THAN ONE THOUSAND FIVE HUNDRED
10 (\$1,500) AND, IN DEFAULT THEREOF, TO UNDERGO IMPRISONMENT OF NOT
11 LESS THAN FIVE DAYS NOR MORE THAN THIRTY DAYS. THE PENALTIES
12 IMPOSED BY THIS SUBSECTION SHALL BE IN ADDITION TO ANY OTHER
13 PENALTIES IMPOSED BY THIS ARTICLE. FOR PURPOSES OF THIS
14 SUBSECTION, THE OFFERING FOR SALE OR LEASE OF ANY SERVICE OR
15 TANGIBLE PERSONAL PROPERTY, THE SALE OR USE OF WHICH IS SUBJECT
16 TO TAX, DURING ANY CALENDAR DAY, SHALL CONSTITUTE A SEPARATE
17 VIOLATION. THE SECRETARY OF REVENUE MAY DESIGNATE EMPLOYES OF
18 THE DEPARTMENT TO ENFORCE THE PROVISIONS OF THIS SUBSECTION. THE
19 EMPLOYES SHALL EXHIBIT PROOF OF AND BE WITHIN THE SCOPE OF THE
20 DESIGNATION WHEN INSTITUTING PROCEEDINGS AS PROVIDED BY THE
21 PENNSYLVANIA RULES OF CRIMINAL PROCEDURE.

22 (D) FAILURE OF ANY PERSON TO OBTAIN A LICENSE SHALL NOT
23 RELIEVE THAT PERSON OF LIABILITY TO PAY THE TAX IMPOSED BY THIS
24 ARTICLE.

25 SECTION 5. SECTION 281.2 OF THE ACT, AMENDED OR ADDED
26 DECEMBER 13, 1991 (P.L.373, NO.40), AND JUNE 16, 1994 (P.L.279,
27 NO.48), IS AMENDED TO READ:

28 SECTION 281.2. TRANSFERS TO PUBLIC TRANSPORTATION ASSISTANCE
29 FUND.--(A) ALL REVENUES RECEIVED ON OR AFTER JULY 1, 1992, FROM
30 THE IMPOSITION OF THE TAX ON PERIODICALS SHALL BE TRANSFERRED TO

1 THE PUBLIC TRANSPORTATION ASSISTANCE FUND ACCORDING TO THE
2 FORMULA SET FORTH IN SUBSECTION (B).

3 (B) WITHIN 30 DAYS OF THE CLOSE OF ANY CALENDAR MONTH, .44
4 PER CENT (.0044) OF THE TAXES RECEIVED IN THE PREVIOUS MONTH
5 UNDER THIS ARTICLE, LESS ANY AMOUNTS COLLECTED IN THAT PREVIOUS
6 CALENDAR MONTH UNDER FORMER 74 PA.C.S. § 1314(D) (RELATING TO
7 PUBLIC ASSISTANCE TRANSPORTATION FUND), SHALL BE TRANSFERRED TO
8 THE PUBLIC TRANSPORTATION ASSISTANCE FUND ESTABLISHED UNDER
9 ARTICLE XXIII.

10 (C) IN FISCAL YEAR 1991-1992, THE SECRETARY OF REVENUE WILL
11 ENSURE THAT TEN MILLION DOLLARS (\$10,000,000) IS DEPOSITED IN
12 THE PUBLIC ASSISTANCE TRANSPORTATION FUND FROM THE COMBINATION
13 OF REVENUES RECEIVED UNDER FORMER 74 PA.C.S. § 1314(D) AND
14 TRANSFERS OF PERIODICAL TAXES RECEIVED UNDER THIS ARTICLE.

15 (D) WITHIN 30 DAYS OF THE CLOSE OF ANY CALENDAR MONTH, .09
16 PER CENT (.0009) OF THE TAXES RECEIVED IN THE PREVIOUS MONTH
17 UNDER THIS ARTICLE SHALL BE TRANSFERRED TO THE PUBLIC
18 TRANSPORTATION ASSISTANCE FUND ESTABLISHED UNDER ARTICLE XXIII.

19 (E) WITHIN 30 DAYS OF THE CLOSE OF A CALENDAR MONTH, .417
20 PER CENT (.00417) OF THE TAXES RECEIVED IN THE PREVIOUS MONTH
21 UNDER THIS ARTICLE SHALL BE TRANSFERRED TO THE PUBLIC
22 TRANSPORTATION ASSISTANCE FUND ESTABLISHED UNDER ARTICLE XXIII.

23 SECTION 6. SECTION 301(K) OF THE ACT, AMENDED DECEMBER 23,
24 1983 (P.L.370, NO.90), IS AMENDED TO READ:

25 SECTION 301. DEFINITIONS.--THE FOLLOWING WORDS, TERMS AND
26 PHRASES WHEN USED IN THIS ARTICLE SHALL HAVE THE MEANING
27 ASCRIBED TO THEM IN THIS SECTION EXCEPT WHERE THE CONTEXT
28 CLEARLY INDICATES A DIFFERENT MEANING, AND, UNLESS SPECIFICALLY
29 PROVIDED OTHERWISE, ANY REFERENCE IN THIS ARTICLE TO THE
30 INTERNAL REVENUE CODE OF 1986 SHALL MEAN THE INTERNAL REVENUE

1 CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 1 ET SEQ.), AS
2 AMENDED TO JANUARY 1, 1997:

3 * * *

4 (K) "INCOME FROM SOURCES WITHIN THIS COMMONWEALTH" FOR A
5 NONRESIDENT INDIVIDUAL, ESTATE OR TRUST MEANS THE SAME AS
6 COMPENSATION, NET PROFITS, GAINS, DIVIDENDS, INTEREST OR INCOME
7 ENUMERATED AND CLASSIFIED UNDER SECTION 303 OF THIS ARTICLE TO
8 THE EXTENT THAT IT IS EARNED, RECEIVED OR ACQUIRED FROM SOURCES
9 WITHIN THIS COMMONWEALTH:

10 (1) BY REASON [OR] OF OWNERSHIP OR DISPOSITION OF ANY
11 INTEREST IN REAL OR TANGIBLE PERSONAL PROPERTY IN THIS
12 COMMONWEALTH; OR

13 (2) IN CONNECTION WITH A TRADE, PROFESSION, OCCUPATION
14 CARRIED ON IN THIS COMMONWEALTH OR FOR THE RENDITION OF PERSONAL
15 SERVICES PERFORMED IN THIS COMMONWEALTH; OR

16 (3) AS A DISTRIBUTIVE SHARE OF THE INCOME OF AN
17 UNINCORPORATED BUSINESS, PENNSYLVANIA S CORPORATION, PROFESSION,
18 ENTERPRISE, UNDERTAKING OR OTHER ACTIVITY AS THE RESULT OF WORK
19 DONE, SERVICES RENDERED OR OTHER BUSINESS ACTIVITIES CONDUCTED
20 IN THIS COMMONWEALTH, EXCEPT AS ALLOCATED TO ANOTHER STATE
21 PURSUANT TO REGULATIONS PROMULGATED BY THE DEPARTMENT UNDER THIS
22 ARTICLE; OR

23 (4) FROM INTANGIBLE PERSONAL PROPERTY EMPLOYED IN A TRADE,
24 PROFESSION, OCCUPATION OR BUSINESS CARRIED ON IN THIS
25 COMMONWEALTH[.]; OR

26 (5) AS GAMBLING AND LOTTERY WINNINGS BY REASON OF A WAGER
27 PLACED IN THIS COMMONWEALTH, THE CONDUCT OF A GAME OF CHANCE OR
28 OTHER GAMBLING ACTIVITY LOCATED IN THIS COMMONWEALTH OR THE
29 REDEMPTION OF A LOTTERY PRIZE FROM A LOTTERY CONDUCTED IN THIS
30 COMMONWEALTH, OTHER THAN PRIZES OF THE PENNSYLVANIA STATE

1 LOTTERY.

2 PROVIDED, HOWEVER, THAT "INCOME FROM SOURCES WITHIN THIS
3 COMMONWEALTH" FOR A NONRESIDENT INDIVIDUAL, ESTATE OR TRUST
4 SHALL NOT INCLUDE ANY ITEMS OF INCOME ENUMERATED ABOVE RECEIVED
5 OR ACQUIRED FROM AN INVESTMENT COMPANY REGISTERED WITH THE
6 FEDERAL SECURITIES AND EXCHANGE COMMISSION UNDER THE INVESTMENT
7 COMPANY ACT OF 1940.

8 * * *

9 SECTION 7. SECTION 302 OF THE ACT, ADDED AUGUST 4, 1991
10 (P.L.97, NO.22), IS AMENDED TO READ:

11 SECTION 302. IMPOSITION OF TAX.--(A) EVERY RESIDENT
12 INDIVIDUAL, ESTATE OR TRUST SHALL BE SUBJECT TO, AND SHALL PAY
13 FOR THE PRIVILEGE OF RECEIVING EACH OF THE CLASSES OF INCOME
14 HEREINAFTER ENUMERATED IN SECTION 303, A TAX UPON EACH DOLLAR OF
15 INCOME RECEIVED BY THAT RESIDENT DURING THAT RESIDENT'S TAXABLE
16 YEAR AT THE [FOLLOWING RATES:

17 (1) TWO AND ONE-TENTH PER CENT FOR TAXABLE YEARS COMMENCING
18 WITH OR WITHIN CALENDAR YEAR 1987 THROUGH THE FIRST HALF OF THE
19 TAXABLE YEAR COMMENCING WITH OR WITHIN CALENDAR YEAR 1991.

20 (2) TWO AND EIGHT-TENTHS PER CENT FOR THE SECOND HALF OF THE
21 TAXABLE YEAR COMMENCING WITH OR WITHIN CALENDAR YEAR 1991 AND
22 EACH TAXABLE YEAR THEREAFTER.

23 (3) A TEMPORARY ASSESSMENT EQUAL TO AN ADDITIONAL THREE-
24 TENTHS PER CENT FOR THE SECOND HALF OF THE TAXABLE YEAR
25 COMMENCING WITH OR WITHIN CALENDAR YEAR 1991 THROUGH THE FIRST
26 HALF OF THE TAXABLE YEAR COMMENCING WITH OR WITHIN CALENDAR YEAR
27 1992] RATE OF THREE AND SEVEN HUNDREDTHS PER CENT.

28 (B) EVERY NONRESIDENT INDIVIDUAL, ESTATE OR TRUST SHALL BE
29 SUBJECT TO, AND SHALL PAY FOR THE PRIVILEGE OF RECEIVING EACH OF
30 THE CLASSES OF INCOME HEREINAFTER ENUMERATED IN SECTION 303 FROM

1 SOURCES WITHIN THIS COMMONWEALTH, A TAX UPON EACH DOLLAR OF
2 INCOME RECEIVED BY THAT NONRESIDENT DURING THAT NONRESIDENT'S
3 TAXABLE YEAR AT THE [FOLLOWING RATES:

4 (1) TWO AND ONE-TENTH PER CENT FOR TAXABLE YEARS COMMENCING
5 WITH OR WITHIN CALENDAR YEAR 1987 THROUGH THE FIRST HALF OF THE
6 TAXABLE YEAR COMMENCING WITH OR WITHIN CALENDAR YEAR 1991.

7 (2) TWO AND EIGHT-TENTHS PER CENT FOR THE SECOND HALF OF THE
8 TAXABLE YEAR COMMENCING WITH OR WITHIN CALENDAR YEAR 1991 AND
9 EACH TAXABLE YEAR THEREAFTER.

10 (3) A TEMPORARY ASSESSMENT EQUAL TO AN ADDITIONAL THREE-
11 TENTHS PER CENT FOR THE SECOND HALF OF THE TAXABLE YEAR
12 COMMENCING WITH OR WITHIN CALENDAR YEAR 1991 THROUGH THE FIRST
13 HALF OF THE TAXABLE YEAR COMMENCING WITH OR WITHIN CALENDAR YEAR
14 1992] RATE OF THREE AND SEVEN HUNDREDTHS PER CENT.

15 SECTION 8. SECTION 304(D) OF THE ACT, AMENDED JUNE 29, 2002
16 (P.L.559, NO.89), IS AMENDED TO READ:

17 SECTION 304. SPECIAL TAX PROVISIONS FOR POVERTY.--* * *

18 (D) ANY CLAIM FOR SPECIAL TAX PROVISIONS HEREUNDER SHALL BE
19 DETERMINED IN ACCORDANCE WITH THE FOLLOWING:

20 (1) IF THE POVERTY INCOME OF THE CLAIMANT DURING AN ENTIRE
21 TAXABLE YEAR IS SIX THOUSAND FIVE HUNDRED DOLLARS (\$6,500) OR
22 LESS, OR, IN THE CASE OF A MARRIED CLAIMANT, IF THE JOINT
23 POVERTY INCOME OF THE CLAIMANT AND THE CLAIMANT'S SPOUSE DURING
24 AN ENTIRE TAXABLE YEAR IS THIRTEEN THOUSAND DOLLARS (\$13,000) OR
25 LESS, THE CLAIMANT SHALL BE ENTITLED TO A REFUND OR FORGIVENESS
26 OF ANY MONEYS WHICH HAVE BEEN PAID OVER TO (OR WOULD EXCEPT FOR
27 THE PROVISIONS OF THIS ACT BE PAYABLE TO) THE COMMONWEALTH UNDER
28 THE PROVISIONS OF THIS ARTICLE, WITH AN ADDITIONAL INCOME
29 ALLOWANCE OF [NINE THOUSAND DOLLARS (\$9,000)] NINE THOUSAND FIVE
30 HUNDRED DOLLARS (\$9,500) FOR EACH DEPENDENT OF THE CLAIMANT. FOR

1 PURPOSES OF THIS SUBSECTION, A CLAIMANT SHALL NOT BE CONSIDERED
2 TO BE MARRIED IF:

3 (I) THE CLAIMANT AND THE CLAIMANT'S SPOUSE FILE SEPARATE
4 RETURNS; AND

5 (II) THE CLAIMANT AND THE CLAIMANT'S SPOUSE LIVE APART AT
6 ALL TIMES DURING THE LAST SIX MONTHS OF THE TAXABLE YEAR OR ARE
7 SEPARATED PURSUANT TO A WRITTEN SEPARATION AGREEMENT.

8 (2) IF THE POVERTY INCOME OF THE CLAIMANT DURING AN ENTIRE
9 TAXABLE YEAR DOES NOT EXCEED THE POVERTY INCOME LIMITATIONS
10 PRESCRIBED BY CLAUSE (1) BY MORE THAN THE DOLLAR CATEGORY
11 CONTAINED IN SUBCLAUSES (I), (II), (III), (IV), (V), (VI),
12 (VII), (VIII) OR (IX) OF THIS CLAUSE, THE CLAIMANT SHALL BE
13 ENTITLED TO A REFUND OR FORGIVENESS BASED ON THE PER CENTAGE
14 PRESCRIBED IN SUCH SUBCLAUSES OF ANY MONEYS WHICH HAVE BEEN PAID
15 OVER TO (OR WOULD HAVE BEEN EXCEPT FOR THE PROVISIONS HEREIN BE
16 PAYABLE TO) THE COMMONWEALTH UNDER THIS ARTICLE:

17 (I) NINETY PER CENT IF NOT IN EXCESS OF TWO HUNDRED FIFTY
18 DOLLARS (\$250).

19 (II) EIGHTY PER CENT IF NOT IN EXCESS OF FIVE HUNDRED
20 DOLLARS (\$500).

21 (III) SEVENTY PER CENT IF NOT IN EXCESS OF SEVEN HUNDRED
22 FIFTY DOLLARS (\$750).

23 (IV) SIXTY PER CENT IF NOT IN EXCESS OF ONE THOUSAND DOLLARS
24 (\$1,000).

25 (V) FIFTY PER CENT IF NOT IN EXCESS OF ONE THOUSAND TWO
26 HUNDRED FIFTY DOLLARS (\$1,250).

27 (VI) FORTY PER CENT IF NOT IN EXCESS OF ONE THOUSAND FIVE
28 HUNDRED DOLLARS (\$1,500).

29 (VII) THIRTY PER CENT IF NOT IN EXCESS OF ONE THOUSAND SEVEN
30 HUNDRED FIFTY DOLLARS (\$1,750).

1 (VIII) TWENTY PER CENT IF NOT IN EXCESS OF TWO THOUSAND
2 DOLLARS (\$2,000).

3 (IX) TEN PER CENT IF NOT IN EXCESS OF TWO THOUSAND TWO
4 HUNDRED FIFTY DOLLARS (\$2,250).

5 (3) IF AN INDIVIDUAL HAS A TAXABLE YEAR OF LESS THAN TWELVE
6 MONTHS, THE POVERTY INCOME THEREOF SHALL BE ANNUALIZED IN SUCH
7 MANNER AS THE DEPARTMENT MAY PRESCRIBE.

8 SECTION 9. SECTION 330(B)(1) OF THE ACT, AMENDED MARCH 26,
9 1991 (P.L.5, NO.3), IS AMENDED TO READ:

10 SECTION 330. RETURNS AND LIABILITY.--* * *

11 (B) (1) IN THE CASE OF AN INDIVIDUAL SERVING IN THE ARMED
12 FORCES OF THE UNITED STATES IN AN AREA DESIGNATED BY THE
13 PRESIDENT OF THE UNITED STATES BY EXECUTIVE ORDER AS A "COMBAT
14 [ZONE"] ZONE," AS DESCRIBED IN SECTION 7508 OF THE INTERNAL
15 REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 7508), AS
16 AMENDED, AT ANY TIME DURING THE PERIOD DESIGNATED BY THE
17 PRESIDENT BY EXECUTIVE ORDER AS THE PERIOD OF COMBATANT
18 ACTIVITIES IN THE COMBAT ZONE OR HOSPITALIZED AS A RESULT OF
19 INJURY RECEIVED WHILE SERVING IN THE COMBAT ZONE DURING SUCH
20 TIME, OR AN INDIVIDUAL SERVING IN A MILITARY CAPACITY AS A
21 RESULT OF A FEDERAL CALLUP TO ACTIVE DUTY OR CIVILIAN CAPACITY
22 OUTSIDE THE BOUNDARY OF THIS COMMONWEALTH IN SUPPORT OF SUCH
23 ARMED FORCES, THE PERIOD OF SERVICE IN SUCH AREA, PLUS THE
24 PERIOD OF QUALIFIED CONTINUOUS HOSPITALIZATION ATTRIBUTABLE TO
25 SUCH INJURY, AND THE NEXT ONE HUNDRED EIGHTY DAYS THEREAFTER
26 SHALL BE DISREGARDED IN DETERMINING, UNDER THIS ARTICLE, IN
27 RESPECT OF ANY TAX LIABILITY, INCLUDING ANY INTEREST, PENALTY,
28 ADDITIONAL AMOUNT OR ADDITION TO THE TAX OF SUCH INDIVIDUAL:

29 (I) WHETHER ANY OF THE FOLLOWING ACTS WERE PERFORMED WITHIN
30 THE TIME PRESCRIBED THEREFOR:

(A) FILING ANY RETURN OF INCOME TAX, EXCEPT INCOME TAX
WITHHELD AT SOURCE;

(B) PAYMENT OF ANY INCOME TAX, EXCEPT INCOME TAX WITHHELD AT
SOURCE OR ANY INSTALLMENT THEREOF OR OF ANY OTHER LIABILITY TO
THE COMMONWEALTH IN RESPECT THEREOF;

(C) FILING A PETITION FOR REDETERMINATION OF A DEFICIENCY OR
FOR REVIEW OF A DECISION RENDERED BY THE DEPARTMENT;

(D) ALLOWANCE OF A CREDIT OR REFUND OF ANY TAX;

(E) FILING A CLAIM FOR CREDIT OR REFUND OF ANY TAX;

(F) BRINGING SUIT UPON ANY SUCH CLAIM FOR CREDIT;

(G) ASSESSMENT OF ANY TAX;

(H) GIVING OR MAKING ANY NOTICE OR DEMAND FOR THE PAYMENT OF
ANY TAX OR WITH RESPECT TO ANY LIABILITY TO THE COMMONWEALTH IN
RESPECT OF ANY TAX;

(I) COLLECTION BY THE DEPARTMENT, BY LEVY OR OTHERWISE, OF
THE AMOUNT OF ANY LIABILITY IN RESPECT OF ANY TAX;

(J) BRINGING SUIT BY THE COMMONWEALTH, OR ANY OFFICER ON ITS
BEHALF, IN RESPECT OF ANY LIABILITY IN RESPECT OF ANY TAX; AND

(K) ANY OTHER ACT REQUIRED OR PERMITTED UNDER THIS ARTICLE
SPECIFIED IN REGULATIONS PRESCRIBED BY THE DEPARTMENT;

(II) THE AMOUNT OF ANY CREDIT OR REFUND, INCLUDING INTEREST.

* * *

SECTION 10. SECTION 335 OF THE ACT IS AMENDED BY ADDING A
SUBSECTION TO READ:

SECTION 335. REQUIREMENTS CONCERNING RETURNS, NOTICES,
RECORDS AND STATEMENTS.--* * *

(E) ANY PERSON WHO IS REQUIRED TO MAKE A FORM W-2G RETURN TO
THE SECRETARY OF THE TREASURY OF THE UNITED STATES IN REGARD TO
TAXABLE GAMBLING OR LOTTERY WINNINGS FROM SOURCES WITHIN THIS
COMMONWEALTH SHALL FILE A COPY OF THE FORM WITH THE DEPARTMENT

1 BY MARCH 1 OF EACH YEAR OR, IF FILED ELECTRONICALLY, BY MARCH 31
2 OF EACH YEAR.

3 SECTION 11. SECTION 401(1)1 OF THE ACT, AMENDED JUNE 29,
4 2002 (P.L.559, NO.89), IS AMENDED AND THE SECTION IS AMENDED BY
5 ADDING A CLAUSE TO READ:

6 SECTION 401. DEFINITIONS.--THE FOLLOWING WORDS, TERMS, AND
7 PHRASES, WHEN USED IN THIS ARTICLE, SHALL HAVE THE MEANING
8 ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT
9 CLEARLY INDICATES A DIFFERENT MEANING:

10 (1) "CORPORATION." ANY OF THE FOLLOWING:

11 (I) A CORPORATION.

12 (II) A JOINT-STOCK ASSOCIATION.

13 (III) A BUSINESS TRUST, LIMITED LIABILITY COMPANY OR OTHER
14 ENTITY WHICH FOR FEDERAL INCOME TAX PURPOSES IS CLASSIFIED AS A
15 CORPORATION.

16 THE TERM DOES NOT INCLUDE:

17 1. A BUSINESS TRUST WHICH QUALIFIES AS A REAL ESTATE
18 INVESTMENT TRUST UNDER SECTION 856 OF THE INTERNAL REVENUE CODE
19 OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 856) OR WHICH IS A
20 QUALIFIED REAL ESTATE INVESTMENT TRUST SUBSIDIARY UNDER SECTION
21 856(I) OF THE INTERNAL REVENUE CODE OF 1986 (26 U.S.C. §
22 856(I)). [OR A RELATED BUSINESS TRUST WHICH CONFINES ITS
23 ACTIVITIES IN THIS COMMONWEALTH TO THE MAINTENANCE,
24 ADMINISTRATION AND MANAGEMENT OF INTANGIBLE INVESTMENTS AND
25 ACTIVITIES OF REAL ESTATE INVESTMENT TRUSTS OR QUALIFIED REAL
26 ESTATE INVESTMENT TRUST SUBSIDIARIES. A BUSINESS TRUST WHICH IS
27 A QUALIFIED REAL ESTATE INVESTMENT TRUST SUBSIDIARY UNDER
28 SECTION 856(I) OF THE INTERNAL REVENUE CODE OF 1986 (26 U.S.C. §
29 856(I)) SHALL BE TREATED AS PART OF THE REAL ESTATE INVESTMENT
30 TRUST WHICH OWNS ALL OF THE STOCK OF THE QUALIFIED REAL ESTATE

INVESTMENT TRUST SUBSIDIARY.]

* * *

(6) "REGULATED FINANCIAL INSTITUTION." AN ENTITY SUBJECT TO TAX UNDER ARTICLES VII OR XV AND REGULATED BY THE PENNSYLVANIA DEPARTMENT OF BANKING, THE FEDERAL RESERVE BOARD, THE OFFICE OF THE COMPTROLLER OF THE CURRENCY, THE OFFICE OF THRIFT SUPERVISION, THE NATIONAL CREDIT UNION ADMINISTRATION OR THE FEDERAL DEPOSIT INSURANCE CORPORATION.

SECTION 12. SECTION 402.2(B) OF THE ACT, AMENDED OR ADDED JUNE 29, 2002 (P.L.559, NO.89), AND DECEMBER 30, 2002 (P.L.2080, NO.232), IS AMENDED TO READ:

SECTION 402.2. INTERESTS IN UNINCORPORATED ENTITIES.--* * *

(B) SUBSECTION (A) DOES NOT APPLY TO A CORPORATION'S INTEREST IN AN ENTITY DESCRIBED IN SECTION 401(1)1 OR SECTION 401(1)2[.] OTHER THAN:

(1) A BUSINESS TRUST WHICH IS A REAL ESTATE INVESTMENT TRUST AS DEFINED IN SECTION 856 OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 856) MORE THAN FIFTY PERCENT OF THE VOTING POWER OR VALUE OF THE BENEFICIAL INTERESTS OR SHARES OF WHICH ARE OWNED OR CONTROLLED, DIRECTLY OR INDIRECTLY, BY A SINGLE CORPORATION THAT IS NOT:

(I) A REAL ESTATE INVESTMENT TRUST AS DEFINED IN SECTION 856 OF THE INTERNAL REVENUE CODE OF 1986;

(II) A QUALIFIED REAL ESTATE INVESTMENT TRUST SUBSIDIARY UNDER SECTION 856(I) OF THE INTERNAL REVENUE CODE OF 1986;

(III) A REGULATED FINANCIAL INSTITUTION; OR

(IV) FORMED AS A HOLDING COMPANY, SUBSIDIARY OR AFFILIATE OF A REGULATED FINANCIAL INSTITUTION PRIOR TO DECEMBER 1, 2003.

(2) A BUSINESS TRUST WHICH IS A QUALIFIED REAL ESTATE TRUST SUBSIDIARY UNDER SECTION 856(I) OF INTERNAL REVENUE CODE OF 1986

1 OWNED, DIRECTLY OR INDIRECTLY, BY A REAL ESTATE INVESTMENT TRUST
2 AS DEFINED IN SECTION 856 OF THE INTERNAL REVENUE CODE OF 1986
3 MORE THAN FIFTY PERCENT OF THE VOTING POWER OR VALUE OF THE
4 BENEFICIAL INTERESTS OR SHARES OF WHICH ARE OWNED OR CONTROLLED,
5 DIRECTLY OR INDIRECTLY, BY A SINGLE CORPORATION THAT IS NOT:

6 (I) A REAL ESTATE INVESTMENT TRUST AS DEFINED IN SECTION 856
7 OF THE INTERNAL REVENUE CODE OF 1986;

8 (II) A QUALIFIED REAL ESTATE INVESTMENT TRUST SUBSIDIARY
9 UNDER SECTION 856(I) OF THE INTERNAL REVENUE CODE OF 1986;

10 (III) A REGULATED FINANCIAL INSTITUTION; OR

11 (IV) FORMED AS A HOLDING COMPANY, SUBSIDIARY OR AFFILIATE OF
12 A REGULATED FINANCIAL INSTITUTION PRIOR TO DECEMBER 1, 2003.

13 SECTION 12.1. THE ACT IS AMENDED BY ADDING A SECTION TO
14 READ:

15 SECTION 403.2. ADDITIONAL WITHHOLDING REQUIREMENTS.--(A)
16 EVERY PARTNERSHIP EXERCISING, WHETHER IN ITS OWN NAME OR THROUGH
17 ANY PERSON, ASSOCIATION, BUSINESS TRUST, CORPORATION, JOINT
18 VENTURE, LIMITED LIABILITY COMPANY, LIMITED PARTNERSHIP,
19 PARTNERSHIP OR OTHER ENTITY, ANY OF THE PRIVILEGES SPECIFIED IN
20 SECTION 402(A)(1) THROUGH (4) SHALL MAKE A RETURN FOR THE
21 TAXABLE YEAR OF ITS NET NONFILING CORPORATE PARTNERS' SHARES OF
22 INCOME AND DEDUCTIONS.

23 (B) A PARTNERSHIP REQUIRED TO FILE A REPORT UNDER SUBSECTION
24 (A) SHALL WITHHOLD AND PAY TO THE DEPARTMENT A TAX ON BEHALF OF
25 ITS NONFILING CORPORATE PARTNERS IN AN AMOUNT EQUAL TO ITS NET
26 NONFILING CORPORATE PARTNERS' SHARES OF INCOME AND DEDUCTIONS AS
27 REPORTED TO THE FEDERAL GOVERNMENT MULTIPLIED BY THE TAX RATE
28 APPLICABLE TO THE TAXABLE YEAR BEING REPORTED. ANY AMOUNT
29 WITHHELD AND PAID TO THE DEPARTMENT ON BEHALF OF A NONFILING
30 CORPORATE PARTNER SHALL BE CONSIDERED A TAX PAYMENT BY THAT

1 PARTNER AND CREDITED TO ITS ACCOUNT AS IF IT WAS DIRECTLY PAID
2 BY THE PARTNER.

3 (C) IF AN AMOUNT OF TAX REQUIRED TO BE WITHHELD AND PAID
4 UNDER THIS SECTION IS NOT PAID ON OR BEFORE THE DATE PRESCRIBED,
5 A PENALTY OF FIVE PER CENT OF THE UNDERPAYMENT FOR EACH MONTH OR
6 FRACTION OF A MONTH FROM THE DUE DATE TO THE DATE PAID SHALL BE
7 ADDED TO THE TAX AND PAID TO THE DEPARTMENT. THE UNDERPAYMENT
8 SHALL, FOR PURPOSES OF COMPUTING THE ADDITION FOR ANY MONTH, BE
9 REDUCED BY THE AMOUNT OF THE PART OF THE TAX WHICH IS PAID BY
10 THE BEGINNING OF THAT MONTH. THE TOTAL OF THE ADDITIONS SHALL
11 NOT EXCEED FIFTY PER CENT OF THE AMOUNT OF THE TAX.

12 (D) THE REPORT REQUIRED BY SUBSECTION (A) SHALL BE FILED
13 WITH THE DEPARTMENT IN A FORM PRESCRIBED BY THE DEPARTMENT AND
14 THE PAYMENT REQUIRED BY SUBSECTION (B) SHALL BE PAID TO THE
15 DEPARTMENT ON OR BEFORE THE FIFTEENTH DAY OF THE FOURTH MONTH
16 FOLLOWING THE END OF THE TAXABLE YEAR.

17 (E) THE FOLLOWING WORDS, TERMS, AND PHRASES, WHEN USED IN
18 THIS SECTION, SHALL HAVE THE MEANING ASCRIBED TO THEM IN THIS
19 SECTION, EXCEPT WHERE THE CONTEXT CLEARLY INDICATES A DIFFERENT
20 MEANING:

21 "NET NONFILING CORPORATE PARTNERS' SHARES OF INCOME AND
22 DEDUCTIONS AS REPORTED TO THE FEDERAL GOVERNMENT." THAT PORTION
23 OF THE INCOME, LESS THE DEDUCTIONS:

24 (1) REPORTED ON SCHEDULE K OF THE FEDERAL FORM 1065, RETURN
25 OF PARTNERSHIP INCOME, FILED WITH THE FEDERAL GOVERNMENT FOR THE
26 TAXABLE YEAR; AND

27 (2) ALLOCATED ON FEDERAL SCHEDULE K-1 TO NONFILING CORPORATE
28 PARTNERS.

29 IF THE ENTIRE BUSINESS OF THE PARTNERSHIP IS NOT TRANSACTED IN
30 THIS COMMONWEALTH, THE AMOUNT COMPUTED UNDER THIS DEFINITION

1 SHALL BE APPORTIONED TO THIS COMMONWEALTH AS PROVIDED IN SECTION
2 401(3)2 AS IF THE PARTNERSHIP WERE A CORPORATION SUBJECT TO TAX
3 UNDER THIS ARTICLE.

4 "NONFILING CORPORATE PARTNER." A PARTNER WHICH:

5 (1) IS A CORPORATION AS DEFINED IN SECTION 401; AND

6 (2) HAS NOT FILED A TAX REPORT AND PAID THE TAX REQUIRED BY
7 SECTIONS 402 AND 403 FOR THE PREVIOUS TAXABLE YEAR.

8 "PARTNER." AN OWNER OF AN INTEREST IN THE PARTNERSHIP, IN
9 WHATEVER MANNER THAT OWNER AND OWNERSHIP INTEREST ARE
10 DESIGNATED.

11 "PARTNERSHIP." AN ENTITY CLASSIFIED AS A PARTNERSHIP FOR
12 FEDERAL INCOME TAX PURPOSES.

13 (1) THE TERM INCLUDES:

14 (I) A PARTNERSHIP, LIMITED PARTNERSHIP, LIMITED LIABILITY
15 PARTNERSHIP OR LIMITED LIABILITY COMPANY; AND

16 (II) ANY SYNDICATE, GROUP, POOL, JOINT VENTURE, BUSINESS
17 TRUST, ASSOCIATION OR OTHER UNINCORPORATED ORGANIZATION, THROUGH
18 OR BY WHICH A BUSINESS, FINANCIAL OPERATION OR VENTURE IS
19 CARRIED ON.

20 (2) THE TERM DOES NOT INCLUDE AN ENTITY THAT IS:

21 (I) LISTED ON A UNITED STATES NATIONAL STOCK EXCHANGE; OR

22 (II) DESCRIBED IN SECTION 401(1)1 OR 2.

23 SECTION 13. THE DEFINITION OF "CORPORATION" IN SECTION
24 601(A) OF THE ACT, AMENDED JUNE 29, 2002 (P.L.559, NO.89), IS
25 AMENDED TO READ:

26 SECTION 601. DEFINITIONS AND REPORTS.--(A) THE FOLLOWING
27 WORDS, TERMS AND PHRASES WHEN USED IN THIS ARTICLE VI SHALL HAVE
28 THE MEANING ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE
29 CONTEXT CLEARLY INDICATES A DIFFERENT MEANING:

30 * * *

"CORPORATION." (A) ANY OF THE FOLLOWING ENTITIES:

(1) A CORPORATION.

(2) A JOINT-STOCK ASSOCIATION.

(3) A BUSINESS TRUST.

(4) A LIMITED LIABILITY COMPANY[, OTHER THAN]. THIS CLAUSE

EXCLUDES A RESTRICTED PROFESSIONAL COMPANY WHICH IS SUBJECT TO

15 PA.C.S. CH. 89 SUBCH. L (RELATING TO RESTRICTED PROFESSIONAL

COMPANIES)[,] AND WHICH IS DEEMED TO BE A LIMITED PARTNERSHIP

PURSUANT TO 15 PA.C.S. § 8997 (RELATING TO TAXATION OF

RESTRICTED PROFESSIONAL COMPANIES).

(5) AN ENTITY WHICH FOR FEDERAL INCOME TAX PURPOSES IS

CLASSIFIED AS A CORPORATION.

(6) A BUSINESS TRUST WHICH IS A REAL ESTATE INVESTMENT TRUST

AS DEFINED IN SECTION 856 OF THE INTERNAL REVENUE CODE OF 1986

(PUBLIC LAW 99-514, 26 U.S.C. § 856) MORE THAN FIFTY PERCENT OF

THE VOTING POWER OR VALUE OF THE BENEFICIAL INTERESTS OR SHARES

OF WHICH ARE OWNED OR CONTROLLED, DIRECTLY OR INDIRECTLY, BY A

SINGLE CORPORATION THAT IS NOT:

(I) A REAL ESTATE INVESTMENT TRUST AS DEFINED IN SECTION 856

OF THE INTERNAL REVENUE CODE OF 1986;

(II) A QUALIFIED REAL ESTATE INVESTMENT TRUST SUBSIDIARY

UNDER SECTION 856(I) OF THE INTERNAL REVENUE CODE OF 1986;

(III) A REGULATED FINANCIAL INSTITUTION AS DEFINED BY

SECTION 401(6) OF ARTICLE IV; OR

(IV) FORMED AS A HOLDING COMPANY, SUBSIDIARY OR AFFILIATE OF

A REGULATED FINANCIAL INSTITUTION PRIOR TO DECEMBER 1, 2003.

(7) A BUSINESS TRUST WHICH IS A QUALIFIED REAL ESTATE

INVESTMENT TRUST SUBSIDIARY UNDER SECTION 856(I) OF THE INTERNAL

REVENUE CODE OF 1986 OWNED, DIRECTLY OR INDIRECTLY, BY A REAL

ESTATE INVESTMENT TRUST AS DEFINED IN SECTION 856 OF THE

INTERNAL REVENUE CODE OF 1986 MORE THAN FIFTY PERCENT OF THE
VOTING POWER OR VALUE OF THE BENEFICIAL INTERESTS OR SHARES OF
WHICH ARE OWNED OR CONTROLLED, DIRECTLY OR INDIRECTLY, BY A
SINGLE CORPORATION THAT IS NOT:

(I) A REAL ESTATE INVESTMENT TRUST AS DEFINED IN SECTION
856 OF THE INTERNAL REVENUE CODE OF 1986;

(II) A QUALIFIED REAL ESTATE INVESTMENT TRUST SUBSIDIARY
UNDER SECTION 856(I) OF THE INTERNAL REVENUE CODE OF 1986;

(III) A REGULATED FINANCIAL INSTITUTION AS DEFINED BY
SECTION 401(6) OF ARTICLE IV; OR

(IV) FORMED AS A HOLDING COMPANY, SUBSIDIARY OR AFFILIATE OF
A REGULATED FINANCIAL INSTITUTION PRIOR TO DECEMBER 1, 2003.

(B) THE TERM DOES NOT INCLUDE ANY OF THE FOLLOWING:

(1) A BUSINESS TRUST WHICH QUALIFIES AS A REAL ESTATE
INVESTMENT TRUST UNDER SECTION 856 OF THE INTERNAL REVENUE CODE
OF 1986 (26 U.S.C. § 856) OR WHICH IS A QUALIFIED REAL ESTATE
INVESTMENT TRUST SUBSIDIARY UNDER SECTION 856(I) OF THE INTERNAL
REVENUE CODE OF 1986 (26 U.S.C. § 856(I)). [OR A RELATED
BUSINESS TRUST WHICH CONFINES ITS ACTIVITIES IN THIS
COMMONWEALTH TO THE MAINTENANCE, ADMINISTRATION AND MANAGEMENT
OF INTANGIBLE INVESTMENTS AND ACTIVITIES OF REAL ESTATE
INVESTMENT TRUSTS OR QUALIFIED REAL ESTATE INVESTMENT TRUST
SUBSIDIARIES. A BUSINESS TRUST WHICH IS A QUALIFIED REAL ESTATE
INVESTMENT TRUST SUBSIDIARY UNDER SECTION 856(I) OF THE INTERNAL
REVENUE CODE OF 1986 (26 U.S.C. § 856(I)) SHALL BE TREATED AS
PART OF THE REAL ESTATE INVESTMENT TRUST WHICH OWNS ALL OF THE
STOCK OF THE QUALIFIED REAL ESTATE INVESTMENT TRUST SUBSIDIARY.]

(2) A BUSINESS TRUST WHICH QUALIFIES AS A REGULATED
INVESTMENT COMPANY UNDER SECTION 851 OF THE INTERNAL REVENUE
CODE OF 1986 (26 U.S.C. § 851) AND WHICH IS REGISTERED WITH THE

1 UNITED STATES SECURITIES AND EXCHANGE COMMISSION UNDER THE
2 INVESTMENT COMPANY ACT OF 1940 (54 STAT. 789, 15 U.S.C. § 80A-1
3 ET SEQ.) OR A RELATED BUSINESS TRUST WHICH CONFINES ITS
4 ACTIVITIES IN THIS COMMONWEALTH TO THE MAINTENANCE,
5 ADMINISTRATION AND MANAGEMENT OF INTANGIBLE INVESTMENTS AND
6 ACTIVITIES OF REGULATED INVESTMENT COMPANIES.

7 (3) A CORPORATION, TRUST OR OTHER ENTITY WHICH IS AN EXEMPT
8 ORGANIZATION AS DEFINED BY SECTION 501 OF THE INTERNAL REVENUE
9 CODE OF 1986 (26 U.S.C. § 501).

10 (4) A CORPORATION, TRUST OR OTHER ENTITY ORGANIZED AS A NOT-
11 FOR-PROFIT ORGANIZATION UNDER THE LAWS OF THIS COMMONWEALTH OR
12 THE LAWS OF ANY OTHER STATE WHICH:

13 (I) WOULD QUALIFY AS AN EXEMPT ORGANIZATION AS DEFINED BY
14 SECTION 501 OF THE INTERNAL REVENUE CODE OF 1986 (26 U.S.C. §
15 501);

16 (II) WOULD QUALIFY AS A HOMEOWNERS ASSOCIATION AS DEFINED BY
17 SECTION 528(C) OF THE INTERNAL REVENUE CODE OF 1986 (26 U.S.C. §
18 528(C)); OR

19 (III) IS A MEMBERSHIP ORGANIZATION SUBJECT TO THE FEDERAL
20 LIMITATIONS ON DEDUCTIONS FROM TAXABLE INCOME UNDER SECTION 277
21 OF THE INTERNAL REVENUE CODE OF 1986 (26 U.S.C. § 277) BUT ONLY
22 IF NO PECUNIARY GAIN OR PROFIT INURES TO ANY MEMBER OR RELATED
23 ENTITY FROM THE MEMBERSHIP ORGANIZATION.

24 (5) A COOPERATIVE AGRICULTURAL ASSOCIATION SUBJECT TO 15
25 PA.C.S. CH. 75 (RELATING TO COOPERATIVE AGRICULTURAL
26 ASSOCIATIONS).

27 (6) A BUSINESS TRUST IF THE TRUST IS ALL OF THE FOLLOWING:

28 (I) CREATED OR MANAGED BY AN ENTITY WHICH IS SUBJECT TO THE
29 TAX IMPOSED BY ARTICLE VII OR XV OR WHICH IS AN AFFILIATE OF THE
30 ENTITY WHICH SHARES AT LEAST EIGHTY PER CENT COMMON OWNERSHIP.

(II) CREATED AND MANAGED FOR THE PURPOSE OF FACILITATING THE
SECURITIZATION OF INTANGIBLE ASSETS.

(III) CLASSIFIED AS A PARTNERSHIP OR A DISREGARDED ENTITY
FOR FEDERAL INCOME TAX PURPOSES.

* * *

SECTION 14. SECTIONS 602(H) AND 607 OF THE ACT, AMENDED OR
ADDED JUNE 29, 2002 (P.L.559, NO.89), ARE AMENDED TO READ:

SECTION 602. IMPOSITION OF TAX.--* * *

(H) THE RATE OF TAX FOR PURPOSES OF THE CAPITAL STOCK AND
FRANCHISE TAX FOR TAXABLE YEARS BEGINNING WITHIN THE DATES SET
FORTH SHALL BE AS FOLLOWS:

TAXABLE YEAR	REGULAR RATE	SURTAX	TOTAL RATE
JANUARY 1, 1971, TO DECEMBER 31, 1986	10 MILLS	0	10 MILLS
JANUARY 1, 1987, TO DECEMBER 31, 1987	9 MILLS	0	9 MILLS
JANUARY 1, 1988, TO DECEMBER 31, 1990	9.5 MILLS	0	9.5 MILLS
JANUARY 1, 1991, TO DECEMBER 31, 1991	11 MILLS	2 MILLS	13 MILLS
JANUARY 1, 1992, TO DECEMBER 31, 1997	11 MILLS	1.75 MILLS	12.75 MILLS
JANUARY 1, 1998, TO DECEMBER 31, 1998	11 MILLS	.99 MILLS	11.99 MILLS
JANUARY 1, 1999, TO DECEMBER 31, 1999	10.99 MILLS	0	10.99 MILLS
JANUARY 1, 2000, TO DECEMBER 31, 2000	8.99 MILLS	0	8.99 MILLS
JANUARY 1, 2001, TO DECEMBER 31, 2001	7.49 MILLS	0	7.49 MILLS

1	[JANUARY 1, 2002, TO			
2	DECEMBER 31, 2002	7.24 MILLS	0	7.24 MILLS
3	JANUARY 1, 2003, TO			
4	DECEMBER 31, 2003	6.99 MILLS	0	6.99 MILLS
5	JANUARY 1, 2004, TO			
6	DECEMBER 31, 2004	5.99 MILLS	0	5.99 MILLS
7	JANUARY 1, 2005, TO			
8	DECEMBER 31, 2005	4.99 MILLS	0	4.99 MILLS
9	JANUARY 1, 2006, TO			
10	DECEMBER 31, 2006	3.99 MILLS	0	3.99 MILLS
11	JANUARY 1, 2007, TO			
12	DECEMBER 31, 2007	2.99 MILLS	0	2.99 MILLS
13	JANUARY 1, 2008, TO			
14	DECEMBER 31, 2008	1.99 MILLS	0	1.99 MILLS
15	JANUARY 1, 2009, TO			
16	DECEMBER 31, 2009	.99 MILLS	0	.99 MILLS]
17	<u>JANUARY 1, 2002, TO</u>			
18	<u>DECEMBER 31, 2003</u>	<u>7.24 MILLS</u>	<u>0</u>	<u>7.24 MILLS</u>
19	<u>JANUARY 1, 2004, TO</u>			
20	<u>DECEMBER 31, 2004</u>	<u>6.99 MILLS</u>	<u>0</u>	<u>6.99 MILLS</u>
21	<u>JANUARY 1, 2005, TO</u>			
22	<u>DECEMBER 31, 2005</u>	<u>5.99 MILLS</u>	<u>0</u>	<u>5.99 MILLS</u>
23	<u>JANUARY 1, 2006, TO</u>			
24	<u>DECEMBER 31, 2006</u>	<u>4.99 MILLS</u>	<u>0</u>	<u>4.99 MILLS</u>
25	<u>JANUARY 1, 2007, TO</u>			
26	<u>DECEMBER 31, 2007</u>	<u>3.99 MILLS</u>	<u>0</u>	<u>3.99 MILLS</u>
27	<u>JANUARY 1, 2008, TO</u>			
28	<u>DECEMBER 31, 2008</u>	<u>2.99 MILLS</u>	<u>0</u>	<u>2.99 MILLS</u>
29	<u>JANUARY 1, 2009, TO</u>			
30	<u>DECEMBER 31, 2009</u>	<u>1.99 MILLS</u>	<u>0</u>	<u>1.99 MILLS</u>

1 JANUARY 1, 2010, TO

2 DECEMBER 31, 2010 .99 MILLS 0 .99 MILLS

3 * * *

4 SECTION 607. EXPIRATION.--THIS ARTICLE SHALL EXPIRE FOR
5 TAXABLE YEARS BEGINNING AFTER DECEMBER 31, [2009] 2010.

6 SECTION 15. THE HEADING OF ARTICLE XI IS AMENDED TO READ:

7 ARTICLE XI

8 [UTILITIES] GROSS RECEIPTS TAX

9 SECTION 16. SECTION 1101(A) OF THE ACT, AMENDED MAY 24, 2000
10 (P.L.106, NO.23), IS AMENDED AND THE SECTION IS AMENDED BY
11 ADDING SUBSECTIONS TO READ:

12 SECTION 1101. IMPOSITION OF TAX.--(A) GENERAL RULE.--EVERY
13 PIPELINE COMPANY, CONDUIT COMPANY, STEAMBOAT COMPANY, CANAL
14 COMPANY, SLACK WATER NAVIGATION COMPANY, TRANSPORTATION COMPANY,
15 AND EVERY OTHER COMPANY, ASSOCIATION, JOINT-STOCK ASSOCIATION,
16 OR LIMITED PARTNERSHIP, NOW OR HEREAFTER INCORPORATED OR
17 ORGANIZED BY OR UNDER ANY LAW OF THIS COMMONWEALTH, OR NOW OR
18 HEREAFTER ORGANIZED OR INCORPORATED BY ANY OTHER STATE OR BY THE
19 UNITED STATES OR ANY FOREIGN GOVERNMENT, AND DOING BUSINESS IN
20 THIS COMMONWEALTH, AND EVERY COPARTNERSHIP, PERSON OR PERSONS
21 OWNING, OPERATING OR LEASING TO OR FROM ANOTHER CORPORATION,
22 COMPANY, ASSOCIATION, JOINT-STOCK ASSOCIATION, LIMITED
23 PARTNERSHIP, COPARTNERSHIP, PERSON OR PERSONS, ANY PIPELINE,
24 CONDUIT, STEAMBOAT, CANAL, SLACK WATER NAVIGATION, OR OTHER
25 DEVICE FOR THE TRANSPORTATION OF FREIGHT, PASSENGERS, BAGGAGE,
26 OR OIL, EXCEPT MOTOR VEHICLES AND RAILROADS, AND EVERY LIMITED
27 PARTNERSHIP, ASSOCIATION, JOINT-STOCK ASSOCIATION, CORPORATION
28 OR COMPANY ENGAGED IN, OR HEREAFTER ENGAGED IN, THE
29 TRANSPORTATION OF FREIGHT OR OIL WITHIN THIS STATE, AND EVERY
30 TELEPHONE COMPANY [AND], TELEGRAPH COMPANY OR PROVIDER OF MOBILE

1 TELECOMMUNICATIONS SERVICES NOW OR HEREAFTER INCORPORATED OR
2 ORGANIZED BY OR UNDER ANY LAW OF THIS COMMONWEALTH, OR NOW OR
3 HEREAFTER ORGANIZED OR INCORPORATED BY ANY OTHER STATE OR BY THE
4 UNITED STATES OR ANY FOREIGN GOVERNMENT AND DOING BUSINESS IN
5 THIS COMMONWEALTH, AND EVERY LIMITED PARTNERSHIP, ASSOCIATION,
6 JOINT-STOCK ASSOCIATION, COPARTNERSHIP, PERSON OR PERSONS,
7 ENGAGED IN TELEPHONE OR TELEGRAPH BUSINESS OR PROVIDING MOBILE
8 TELECOMMUNICATIONS SERVICES IN THIS COMMONWEALTH, SHALL PAY TO
9 THE STATE TREASURER, THROUGH THE DEPARTMENT OF REVENUE, A TAX OF
10 FORTY-FIVE MILLS WITH A SURTAX EQUAL TO FIVE MILLS UPON EACH
11 DOLLAR OF THE GROSS RECEIPTS OF THE CORPORATION, COMPANY OR
12 ASSOCIATION, LIMITED PARTNERSHIP, JOINT-STOCK ASSOCIATION,
13 COPARTNERSHIP, PERSON OR PERSONS, RECEIVED FROM:

14 (1) PASSENGERS, BAGGAGE, OIL AND FREIGHT TRANSPORTED WHOLLY
15 WITHIN THIS STATE; [AND]

16 (2) TELEGRAPH OR TELEPHONE MESSAGES TRANSMITTED WHOLLY
17 WITHIN THIS STATE AND TELEGRAPH OR TELEPHONE MESSAGES
18 TRANSMITTED IN INTERSTATE COMMERCE WHERE SUCH MESSAGES ORIGINATE
19 OR TERMINATE IN THIS STATE AND THE CHARGES FOR SUCH MESSAGES ARE
20 BILLED TO A SERVICE ADDRESS IN THIS STATE, EXCEPT GROSS RECEIPTS
21 DERIVED FROM:

22 (I) THE SALES OF ACCESS TO THE INTERNET, AS SET FORTH IN
23 ARTICLE II, MADE TO THE ULTIMATE CONSUMER; AND

24 (II) THE SALES FOR RESALE TO PERSONS, PARTNERSHIPS,
25 ASSOCIATIONS, CORPORATIONS OR POLITICAL SUBDIVISIONS SUBJECT TO
26 THE TAX IMPOSED BY THIS ARTICLE UPON GROSS RECEIPTS DERIVED FROM
27 SUCH RESALE OF TELECOMMUNICATIONS SERVICES, INCLUDING:

28 (A) TELECOMMUNICATIONS EXCHANGE ACCESS TO INTERCONNECT WITH
29 A LOCAL EXCHANGE CARRIER'S NETWORK; [AND]

30 (B) NETWORK ELEMENTS ON AN UNBUNDLED BASIS[.]; AND

1 (C) SALES OF TELECOMMUNICATIONS SERVICES TO INTERCONNECT
2 WITH PROVIDERS OF MOBILE TELECOMMUNICATIONS SERVICES; AND

3 (3) MOBILE TELECOMMUNICATIONS SERVICES MESSAGES SOURCED TO
4 THIS COMMONWEALTH BASED ON THE PLACE OF PRIMARY USE STANDARD SET
5 FORTH IN THE MOBILE TELECOMMUNICATIONS SOURCING ACT (4 U.S.C. §
6 117)), EXCEPT GROSS RECEIPTS DERIVED FROM:

7 (I) THE SALES OF ACCESS TO THE INTERNET, AS SET FORTH IN
8 ARTICLE II, MADE TO THE ULTIMATE CONSUMER; AND

9 (II) THE SALES FOR RESALE TO PERSONS, PARTNERSHIPS,
10 ASSOCIATIONS, CORPORATIONS OR POLITICAL SUBDIVISIONS SUBJECT TO
11 THE TAX IMPOSED BY THIS ARTICLE UPON GROSS RECEIPTS DERIVED FROM
12 SUCH RESALE OF MOBILE TELECOMMUNICATIONS SERVICES, INCLUDING
13 SALES OF MOBILE TELECOMMUNICATIONS SERVICES TO INTERCONNECT WITH
14 PROVIDERS OF TELECOMMUNICATIONS SERVICES.

15 (A.1) CREDIT.--TELEGRAPH OR TELEPHONE COMPANIES OR PROVIDERS
16 OF MOBILE TELECOMMUNICATIONS SERVICES THAT PAY A GROSS RECEIPTS
17 TAX TO ANOTHER STATE ON MESSAGES OR SERVICES WHICH ARE TAXABLE
18 UNDER THIS ARTICLE ARE ENTITLED TO A CREDIT AGAINST THE TAX DUE
19 UNDER THIS ARTICLE. THE CREDIT ALLOWED WITH RESPECT TO THE
20 MESSAGES OR SERVICES SHALL NOT EXCEED THE TAX UNDER THIS ARTICLE
21 WITH RESPECT TO THE MESSAGES OR SERVICES.

22 * * *

23 (C.1) SAFE HARBOR BASE YEAR.--FOR PURPOSES OF THE ESTIMATED
24 TAX REQUIREMENTS UNDER SECTIONS 3003.2 AND 3003.3, THE "SAFE
25 HARBOR BASE YEAR" TAX AMOUNT FOR PROVIDERS OF MOBILE
26 TELECOMMUNICATIONS SERVICES SHALL BE THE AMOUNT THAT WOULD HAVE
27 BEEN REQUIRED TO BE PAID BY THE TAXPAYER IF THE TAXPAYER HAD
28 BEEN SUBJECT TO THIS ARTICLE.

29 * * *

30 (J) SCHEDULE FOR ESTIMATED PAYMENTS.--

(1) FOR CALENDAR YEAR 2004, THE FOLLOWING SCHEDULE APPLIES
TO THE PAYMENT OF THE TAX UNDER SUBSECTION(A)(3):

(I) FORTY PER CENT OF THE ESTIMATED TAX SHALL BE DUE ON
MARCH 15, 2004.

(II) FORTY PER CENT OF THE ESTIMATED TAX SHALL BE DUE ON
JUNE 15, 2004.

(III) TWENTY PER CENT OF THE ESTIMATED TAX SHALL BE DUE ON
SEPTEMBER 15, 2004.

(2) FOR CALENDAR YEARS AFTER 2004, THE PAYMENT OF THE
ESTIMATED TAX UNDER SUBSECTION (A)(3) SHALL BE DUE IN ACCORDANCE
WITH SECTION 3003.2

(K) PENALTY FOR SUBSTANTIAL UNDERPAYMENT OF INITIAL
ESTIMATED GROSS RECEIPTS TAX.--

(1) IF THE AMOUNT OF THE ESTIMATED GROSS RECEIPTS TAX ON
ACCOUNT OF A TAXPAYER'S FIRST APPLICABLE TAXABLE YEAR UNDER
SUBSECTION (A)(3) PAID BY A DUE DATE IN SUBSECTION (J) IS
UNDERPAID, A PENALTY SHALL BE IMPOSED IN THE AMOUNT OF FIVE PER
CENT OF THE UNDERPAYMENT PER MONTH FOR THE PERIOD OF THE
UNDERPAYMENT, UP TO A MAXIMUM OF TWENTY-FIVE PER CENT OF THE
UNDERPAYMENT.

(2) THE PENALTY IMPOSED BY THIS SUBSECTION IS IN ADDITION TO
ANY INTEREST IMPOSED ON UNDERPAYMENTS BY SECTION 3003.3.

SECTION 17. SECTION 1111-A OF THE ACT, ADDED JUNE 29, 2002
(P.L.559, NO.89), IS AMENDED TO READ:

SECTION 1111-A. SURCHARGE.--(A) BY AUGUST 1, 2003, AND BY
EACH AUGUST 1 THEREAFTER, THE ATTORNEY GENERAL SHALL CERTIFY TO
THE DEPARTMENT A REPORT CONTAINING THE TOTAL REDUCTION OF
LIABILITIES, PAID OR UNPAID, TO THE COMMONWEALTH WHICH ARE THE
RESULT OF A FINAL ADJUDICATION OF LITIGATION OR A SETTLEMENT OF
LITIGATION ENTERED INTO BY THE OFFICE OF ATTORNEY GENERAL FOR

1 CLAIMS MADE UNDER THIS ARTICLE DURING THE PRIOR FISCAL YEAR.

2 (B) BY AUGUST 1, 2003, AND BY EACH AUGUST 1 THEREAFTER, THE
3 STATE TREASURER SHALL CERTIFY TO THE DEPARTMENT A REPORT
4 CONTAINING THE TOTAL REDUCTION OF LIABILITIES, PAID OR UNPAID,
5 TO THE COMMONWEALTH GRANTED BY THE BOARD OF FINANCE AND REVENUE
6 WHICH ARE THE RESULT OF A FINAL ORDER NOT APPEALED BY THE
7 DEPARTMENT FOR CLAIMS MADE UNDER THIS ARTICLE DURING THE PRIOR
8 FISCAL YEAR.

9 (C) IF THE TOTAL REDUCTION OF LIABILITIES REPORTED TO THE
10 DEPARTMENT UNDER SUBSECTIONS (A) AND (B) EXCEED FIVE MILLION
11 DOLLARS (\$5,000,000) FOR THE FISCAL YEAR, EACH ENTITY SUBJECT TO
12 THE TAX IMPOSED BY SECTION 1101 SHALL PAY TO THE COMMONWEALTH A
13 SURCHARGE UPON EACH DOLLAR OF THE GROSS RECEIPTS REQUIRED TO BE
14 REPORTED UNDER SECTION 1101, EXCEPT GROSS RECEIPTS FROM
15 PROVIDING MOBILE TELECOMMUNICATIONS SERVICES AND TELEGRAPH OR
16 TELEPHONE MESSAGES TRANSMITTED IN INTERSTATE COMMERCE, AT THE
17 RATE DETERMINED IN ACCORDANCE WITH SUBSECTION (D) FOR THE
18 FOLLOWING CALENDAR YEAR.

19 (D) THE SECRETARY OF REVENUE SHALL ESTABLISH A SURCHARGE
20 RATE BY ADDING THE TOTAL REDUCTION IN LIABILITIES REPORTED TO
21 THE DEPARTMENT UNDER SUBSECTIONS (A) AND (B) AND DIVIDING THE
22 SUM BY THE TOTAL AMOUNT OF TAXABLE GROSS RECEIPTS REPORTED TO
23 THE DEPARTMENT UNDER SECTION 1101, EXCEPT GROSS RECEIPTS FROM
24 PROVIDING MOBILE TELECOMMUNICATIONS SERVICES AND TELEGRAPH OR
25 TELEPHONE MESSAGES TRANSMITTED IN INTERSTATE COMMERCE, FOR THE
26 PRIOR CALENDAR YEAR OR SETTLED BY THE DEPARTMENT AS OF AUGUST 1
27 IN THE YEAR THE RETURN IS DUE. THE SURCHARGE RATE SHALL BE
28 ROUNDED TO FOUR DECIMAL PLACES, CERTIFIED BY THE SECRETARY OF
29 REVENUE TO THE APPROPRIATIONS COMMITTEE OF THE SENATE AND THE
30 APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES AND

1 PUBLISHED BY THE DEPARTMENT BY OCTOBER 1, 2003, AND BY EACH
2 OCTOBER 1 THEREAFTER IN THE PENNSYLVANIA BULLETIN.

3 (E) IF A SURCHARGE IS IMPOSED FOR A CALENDAR YEAR, THE
4 SECRETARY SHALL REQUIRE ENTITIES SUBJECT TO THE SURCHARGE TO
5 FILE A REPORT CONSISTENT WITH THE REQUIREMENTS OF SECTION 1101
6 BY MARCH 15 OF THAT CALENDAR YEAR.

7 (F) THE SURCHARGE IMPOSED BY SUBSECTION (C) SHALL BE PAID
8 WITHIN THE TIME PRESCRIBED BY LAW. PARTS III, IV, V, VI AND VII
9 OF ARTICLE IV ARE INCORPORATED BY REFERENCE INTO THIS SECTION
10 INsofar AS THEY ARE CONSISTENT WITH THIS SECTION AND APPLICABLE
11 TO THE SURCHARGE IMPOSED HEREUNDER.

12 SECTION 18. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

13 SECTION 1112-A. ADDITIONAL TAX.--EVERY ENTITY REQUIRED TO
14 PAY THE TAX IMPOSED UNDER THIS ARTICLE SHALL, IN ADDITION TO
15 THAT TAX, PAY AN ADDITIONAL TAX OF SEVEN AND SIX-TENTHS (7.6)
16 MILLS UPON EACH DOLLAR OF THE STATE TAXABLE VALUE OF ITS UTILITY
17 REALTY.

18 SECTION 19. SECTIONS 1206 AND 1206.1 OF THE ACT, AMENDED
19 JUNE 29, 2002 (P.L.559, NO.89), ARE AMENDED TO READ:

20 SECTION 1206. INCIDENCE AND RATE OF TAX.--AN EXCISE TAX IS
21 HEREBY IMPOSED AND ASSESSED UPON THE SALE OR POSSESSION OF
22 CIGARETTES WITHIN THIS COMMONWEALTH AT THE RATE OF [FIVE] SIX
23 AND SEVENTY-FIVE HUNDREDTHS CENTS PER CIGARETTE.

24 SECTION 1206.1. FLOOR TAX.--(A) A PERSON WHO POSSESSES
25 CIGARETTES ON WHICH THE TAX IMPOSED BY SECTION 1206 HAS BEEN
26 PAID AS OF THE EFFECTIVE DATE OF THIS SECTION SHALL PAY AN
27 ADDITIONAL TAX AT A RATE OF [THREE AND FORTY-FIVE HUNDREDTHS]
28 ONE AND SEVENTY-FIVE HUNDREDTHS CENTS PER CIGARETTE. THE TAX
29 SHALL BE PAID AND REPORTED ON A FORM PRESCRIBED BY THE
30 DEPARTMENT WITHIN NINETY DAYS OF THE EFFECTIVE DATE OF THIS

1 SECTION.

2 (B) IF A CIGARETTE DEALER FAILS TO FILE THE REPORT REQUIRED
3 BY SUBSECTION (A) OR FAILS TO PAY THE TAX IMPOSED BY SUBSECTION
4 (A), THE DEPARTMENT MAY, IN ADDITION TO THE INTEREST AND
5 PENALTIES PROVIDED IN SECTION 1278, DO ANY OF THE FOLLOWING:

6 (1) IMPOSE AN ADMINISTRATIVE PENALTY EQUAL TO THE AMOUNT OF
7 TAX EVADED OR NOT PAID. THE PENALTY SHALL BE ADDED TO THE TAX
8 EVADED OR NOT PAID AND ASSESSED AND COLLECTED AT THE SAME TIME
9 AND IN THE SAME MANNER AS THE TAX.

10 (2) SUSPEND OR REVOKE A CIGARETTE DEALER'S LICENSE.

11 (C) IN ADDITION TO ANY PENALTY IMPOSED UNDER SUBSECTION (B),
12 A PERSON WHO WILFULLY OMITTS, NEGLECTS OR REFUSES TO COMPLY WITH
13 A DUTY IMPOSED UNDER SUBSECTION (A) COMMITS A MISDEMEANOR AND
14 SHALL, UPON CONVICTION, BE SENTENCED TO PAY A FINE OF NOT LESS
15 THAN TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500) NOR MORE THAN
16 FIVE THOUSAND DOLLARS (\$5,000), TO SERVE A TERM OF IMPRISONMENT
17 NOT TO EXCEED THIRTY DAYS OR BOTH.

18 SECTION 19.1. THE ACT IS AMENDED BY ADDING A SECTION TO
19 READ:

20 SECTION 1211. HEALTH CARE PROVIDER RETENTION ACCOUNT.--THERE
21 IS ESTABLISHED IN THE GENERAL FUND A SPECIAL ACCOUNT TO BE KNOWN
22 AS THE HEALTH CARE PROVIDER RETENTION ACCOUNT. EIGHTEEN AND
23 FIFTY-TWO HUNDREDTHS PER CENT OF THE PROCEEDS OF THE TAX IMPOSED
24 BY SECTION 1206 SHALL BE DEPOSITED IN THE ACCOUNT. FUNDS IN THE
25 ACCOUNT SHALL BE SUBJECT TO AN ANNUAL APPROPRIATION AND SHALL BE
26 ADMINISTERED AS PROVIDED BY LAW.

27 SECTION 20. SECTION 1215 OF THE ACT, AMENDED JUNE 22, 2001
28 (P.L.353, NO.23), IS AMENDED TO READ:

29 SECTION 1215. STAMP TO EVIDENCE THE TAX.--(A) THE
30 DEPARTMENT SHALL BY REGULATION REQUIRE EVERY CIGARETTE STAMPING

1 AGENCY OR ULTIMATE CONSUMER, TO USE CIGARETTE TAX STAMPS TO
2 EVIDENCE THE PAYMENT OF THE TAX IMPOSED BY THIS ARTICLE UNLESS
3 SUCH STAMPS HAVE BEEN AFFIXED TO THE PACKS OF CIGARETTES AND
4 PROPERLY CANCELLED BEFORE SUCH CIGARETTE STAMPING AGENCY OR
5 ULTIMATE CONSUMER RECEIVED THEM.

6 (B) THE DEPARTMENT SHALL BY REGULATION AUTHORIZE THE SALE OF
7 CIGARETTE TAX STAMPS AT SUCH PLACES AND AT SUCH TIMES AS IT
8 DEEMS NECESSARY AND THE DEPARTMENT SHALL PRESCRIBE THE MANNER,
9 TIME AND CONDITIONS UNDER WHICH THE PAYMENT OF TAX SHALL BE
10 MADE.

11 (C) THE DEPARTMENT SHALL ALSO PRESCRIBE THE TYPE OF
12 CIGARETTE TAX STAMPS WHICH SHALL BE USED, TO EVIDENCE PAYMENT OF
13 THE TAX. NOTHING IN THIS PROVISION SHALL BE CONSTRUED AS A
14 LIMITATION UPON THE DEPARTMENT TO PRESCRIBE VARIOUS METHODS OF
15 AFFIXING CIGARETTE TAX STAMPS AND SAID DEPARTMENT SHALL HAVE THE
16 AUTHORITY TO PRESCRIBE ONE OR MORE OF SEVERAL TYPES OF TAX
17 STAMPS WHICH SHALL BE USED BY A PARTICULAR CIGARETTE STAMPING
18 AGENCY WHENEVER, IN THE REASONABLE EXERCISE OF ITS POWERS, IT
19 SHALL BE DEEMED NECESSARY FOR THE PROTECTION OF THE REVENUE.

20 (D) UNDER NO CIRCUMSTANCES SHALL ANY CIGARETTE STAMPING
21 AGENCY BE PERMITTED TO SELL, TRANSFER OR DELIVER TO ANY PERSON
22 ANY PACKAGES OF UNSTAMPED CIGARETTES, OR ANY UNUSED CIGARETTE
23 TAX STAMPS UNLESS SPECIFICALLY PERMITTED BY THE PROVISIONS OF
24 THIS ARTICLE.

25 (E) THE DEPARTMENT SHALL BY REGULATION PERMIT A CIGARETTE
26 STAMPING AGENCY TO PAY FOR PURCHASES ON A DEFERRED BASIS, UPON
27 THE FILING OF A SURETY BOND, OF THE TYPE APPROVED BY THE
28 DEPARTMENT, WITH THE DEPARTMENT, IN AN AMOUNT DEEMED SUFFICIENT
29 BY THE DEPARTMENT TO PROTECT THE REVENUE, SAID BOND TO BE
30 EXECUTED BY THE CIGARETTE STAMPING AGENCY AS PRINCIPAL AND BY A

1 CORPORATE SURETY COMPANY, DULY AUTHORIZED TO ENGAGE IN SUCH
2 BUSINESS IN THE COMMONWEALTH OF PENNSYLVANIA, AS SURETY. IN LIEU
3 OF THE BOND REQUIRED BY THIS SUBSECTION, THE DEPARTMENT SHALL
4 ACCEPT OTHER FORMS OF SECURITY, SUCH AS A LINE OF CREDIT, IF THE
5 DEPARTMENT DEEMS THE SECURITY SUFFICIENT TO PROTECT THE REVENUE.
6 THE DEPARTMENT SHALL DENY DEFERRED PURCHASE PLANS TO ANY
7 STAMPING AGENCY IN ANY STATE WHERE SUCH STATE DENIES STAMPING
8 AGENCIES IN PENNSYLVANIA THE RIGHT TO USE DEFERRED PURCHASE
9 PLANS. THE DEPARTMENT MAY DENY ANY CIGARETTE STAMPING AGENT THE
10 RIGHT TO PURCHASE CIGARETTE TAX STAMPS IF THE CIGARETTE STAMPING
11 AGENT IS DELINQUENT IN REMITTING CIGARETTE TAXES OR FINES OWED
12 THE COMMONWEALTH.

13 (F) THE DEPARTMENT SHALL, UPON APPLICATION, PERMIT A
14 CIGARETTE STAMPING AGENCY TO POST A SURETY BOND WITH THE
15 DEPARTMENT FOR FIFTY PER CENT OF THE AMOUNT OF THE TAX STAMP
16 PURCHASE, PROVIDED THAT THE AGENCY HAS A RECORD OF TIMELY
17 PAYMENTS OF THE TAX FOR A THREE-YEAR PERIOD PRIOR TO
18 APPLICATION; AND FURTHER PROVIDED THAT THE AGENCY FILES WITH THE
19 DEPARTMENT A FINANCIAL STATEMENT THAT DEMONSTRATES ASSETS
20 SUFFICIENT TO PROTECT THE REVENUES. TO PRESERVE THE DISCOUNTED
21 BOND ARRANGEMENT AN AGENCY MAY BE REQUIRED TO PROVIDE AN UPDATED
22 FINANCIAL STATEMENT AT THE REQUEST OF THE DEPARTMENT. IF THE
23 DEPARTMENT DETERMINES THE CIGARETTE STAMPING AGENCY'S FINANCIAL
24 CONDITION AND THE TYPE AND AMOUNT OF SECURITY POSTED BY THE
25 CIGARETTE STAMPING AGENCY IS INSUFFICIENT TO PROTECT THE
26 REVENUE, THE DEPARTMENT MAY REQUIRE ADDITIONAL SECURITY IN THE
27 TYPE AND AMOUNT NECESSARY TO PROTECT THE REVENUE. IF THE
28 CIGARETTE STAMPING AGENCY FAILS TO POST THE TYPE AND AMOUNT OF
29 SECURITY REQUESTED WITHIN TEN DAYS OF THE MAILING DATE OF THE
30 REQUEST, THE DEPARTMENT MAY REVOKE THE CIGARETTE STAMPING

1 AGENCY'S LICENSE.

2 SECTION 21. SECTION 1216 OF THE ACT, AMENDED JUNE 29, 2002
3 (P.L.559, NO.89), IS AMENDED TO READ:

4 SECTION 1216. COMMISSIONS ON SALES.--A CIGARETTE STAMPING
5 AGENT SHALL BE ENTITLED TO A COMMISSION FOR THE AGENT'S SERVICES
6 AND EXPENSES IN AFFIXING CIGARETTE TAX STAMPS. THE COMMISSION
7 SHALL BE EQUAL TO [ONE AND TWENTY-FIVE HUNDREDTHS] NINETY-EIGHT
8 HUNDREDTHS PER CENT OF THE TOTAL VALUE OF PENNSYLVANIA CIGARETTE
9 TAX STAMPS PURCHASED BY THE AGENT FROM THE DEPARTMENT OR ITS
10 AUTHORIZED AGENTS TO BE USED IN THE STAMPING OF PACKAGES OF
11 CIGARETTES FOR SALE WITHIN THIS COMMONWEALTH. THE CIGARETTE
12 STAMPING AGENT MAY DEDUCT FROM THE MONEYS TO BE PAID TO THE
13 DEPARTMENT OR ITS AUTHORIZED AGENTS FOR THE STAMPS AN AMOUNT
14 EQUAL TO [ONE AND TWENTY-FIVE HUNDREDTHS] NINETY-EIGHT
15 HUNDREDTHS PER CENT OF THE VALUE OF THE STAMPS PURCHASED. THIS
16 SECTION SHALL NOT APPLY TO PURCHASES OF STAMPS BY A CIGARETTE
17 STAMPING AGENT IN AN AMOUNT LESS THAN ONE HUNDRED DOLLARS
18 (\$100).

19 SECTION 22. SECTIONS 1704-B, 1709-B(A) AND 1711-B OF THE
20 ACT, ADDED MAY 7, 1997 (P.L.85, NO.7), ARE AMENDED TO READ:

21 SECTION 1704-B. CARRYOVER, CARRYBACK, REFUND AND ASSIGNMENT
22 OF CREDIT.--(A) [THE AMOUNT OF THE RESEARCH AND DEVELOPMENT TAX
23 CREDIT THAT A TAXPAYER MAY USE AGAINST ANY ONE QUALIFIED TAX
24 LIABILITY DURING ANY YEAR MAY NOT EXCEED FIFTY PER CENT OF SUCH
25 QUALIFIED TAX LIABILITY FOR THAT TAXABLE YEAR.] IF THE TAXPAYER
26 CANNOT USE THE ENTIRE AMOUNT OF THE RESEARCH AND DEVELOPMENT TAX
27 CREDIT FOR THE TAXABLE YEAR IN WHICH THE RESEARCH AND
28 DEVELOPMENT TAX CREDIT IS FIRST APPROVED, THEN THE EXCESS MAY BE
29 CARRIED OVER TO SUCCEEDING TAXABLE YEARS AND USED AS A CREDIT
30 AGAINST THE QUALIFIED TAX LIABILITY OF THE TAXPAYER FOR THOSE

1 TAXABLE YEARS. EACH TIME THAT THE RESEARCH AND DEVELOPMENT TAX
2 CREDIT IS CARRIED OVER TO A SUCCEEDING TAXABLE YEAR, IT IS TO BE
3 REDUCED BY THE AMOUNT THAT WAS USED AS A CREDIT DURING THE
4 IMMEDIATELY PRECEDING TAXABLE YEAR. THE RESEARCH AND DEVELOPMENT
5 TAX CREDIT PROVIDED BY THIS ARTICLE MAY BE CARRIED OVER AND
6 APPLIED TO SUCCEEDING TAXABLE YEARS FOR NO MORE THAN FIFTEEN
7 TAXABLE YEARS FOLLOWING THE FIRST TAXABLE YEAR FOR WHICH THE
8 TAXPAYER WAS ENTITLED TO CLAIM THE CREDIT.

9 (B) A RESEARCH AND DEVELOPMENT TAX CREDIT APPROVED BY THE
10 DEPARTMENT FOR PENNSYLVANIA QUALIFIED RESEARCH AND DEVELOPMENT
11 EXPENSE IN A TAXABLE YEAR FIRST SHALL BE APPLIED AGAINST THE
12 TAXPAYER'S QUALIFIED TAX LIABILITY FOR THE CURRENT TAXABLE YEAR
13 AS OF THE DATE ON WHICH THE CREDIT WAS APPROVED BEFORE THE
14 RESEARCH AND DEVELOPMENT TAX CREDIT IS APPLIED AGAINST ANY TAX
15 LIABILITY UNDER SUBSECTION (A).

16 (C) A TAXPAYER IS NOT ENTITLED TO CARRY BACK[,] OR OBTAIN A
17 REFUND OF [OR ASSIGN] AN UNUSED RESEARCH AND DEVELOPMENT TAX
18 CREDIT.

19 (D) A TAXPAYER, UPON APPLICATION TO AND APPROVAL BY THE
20 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, MAY SELL OR
21 ASSIGN, IN WHOLE OR IN PART, A RESEARCH AND DEVELOPMENT TAX
22 CREDIT GRANTED TO THE TAXPAYER UNDER THIS ARTICLE IF NO CLAIM
23 FOR ALLOWANCE OF THE CREDIT IS FILED WITHIN ONE YEAR FROM THE
24 DATE THE CREDIT IS APPROVED BY THE DEPARTMENT UNDER SECTION
25 1703-B. THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
26 SHALL ESTABLISH GUIDELINES FOR THE APPROVAL OF APPLICATIONS
27 UNDER THIS SUBSECTION.

28 (E) THE PURCHASER OR ASSIGNEE OF A PORTION OF A RESEARCH AND
29 DEVELOPMENT TAX CREDIT UNDER SUBSECTION (D) SHALL IMMEDIATELY
30 CLAIM THE CREDIT IN THE TAXABLE YEAR IN WHICH THE PURCHASE OR

1 ASSIGNMENT IS MADE. THE AMOUNT OF THE RESEARCH AND DEVELOPMENT
2 CREDIT THAT A PURCHASER OR ASSIGNEE MAY USE AGAINST ANY ONE
3 QUALIFIED TAX LIABILITY MAY NOT EXCEED SEVENTY-FIVE PER CENT OF
4 SUCH QUALIFIED TAX LIABILITY FOR THE TAXABLE YEAR. THE PURCHASER
5 OR ASSIGNEE MAY NOT CARRY OVER, CARRY BACK, OBTAIN A REFUND OF
6 OR ASSIGN THE RESEARCH AND DEVELOPMENT TAX CREDIT. THE PURCHASER
7 OR ASSIGNEE SHALL NOTIFY THE DEPARTMENT OF THE SELLER OR
8 ASSIGNOR OF THE RESEARCH AND DEVELOPMENT TAX CREDIT IN
9 COMPLIANCE WITH PROCEDURES SPECIFIED BY THE DEPARTMENT.

10 SECTION 1709-B. LIMITATION ON CREDITS.--(A) THE TOTAL
11 AMOUNT OF CREDITS APPROVED BY THE DEPARTMENT SHALL NOT EXCEED
12 [FIFTEEN MILLION DOLLARS (\$15,000,000)] THIRTY MILLION DOLLARS
13 (\$30,000,000) IN ANY FISCAL YEAR. OF THAT AMOUNT, [THREE MILLION
14 DOLLARS (\$3,000,000)] SIX MILLION DOLLARS (\$6,000,000) SHALL BE
15 ALLOCATED EXCLUSIVELY FOR SMALL BUSINESSES. HOWEVER, IF THE
16 TOTAL AMOUNTS ALLOCATED TO EITHER THE GROUP OF APPLICANTS
17 EXCLUSIVE OF SMALL BUSINESSES OR THE GROUP OF SMALL BUSINESS
18 APPLICANTS IS NOT APPROVED IN ANY FISCAL YEAR, THE UNUSED
19 PORTION WILL BECOME AVAILABLE FOR USE BY THE OTHER GROUP OF
20 QUALIFYING TAXPAYERS.

21 * * *

22 SECTION 1711-B. REPORT TO GENERAL ASSEMBLY.--THE SECRETARY
23 SHALL SUBMIT AN ANNUAL REPORT TO THE GENERAL ASSEMBLY INDICATING
24 THE EFFECTIVENESS OF THE CREDIT PROVIDED BY THIS ARTICLE NO
25 LATER THAN MARCH 15 FOLLOWING THE YEAR IN WHICH THE CREDITS WERE
26 APPROVED. THE REPORT SHALL INCLUDE THE [NUMBER OF] NAMES OF ALL
27 TAXPAYERS UTILIZING THE CREDIT AS OF THE DATE OF THE REPORT AND
28 THE AMOUNT OF CREDITS APPROVED AND UTILIZED BY EACH TAXPAYER.
29 NOTWITHSTANDING ANY LAW PROVIDING FOR THE CONFIDENTIALITY OF TAX
30 RECORDS, THE INFORMATION CONTAINED IN THE REPORT SHALL BE PUBLIC

1 INFORMATION. THE REPORT MAY ALSO INCLUDE ANY RECOMMENDATIONS FOR
2 CHANGES IN THE CALCULATION OR ADMINISTRATION OF THE CREDIT.

3 SECTION 23. SECTION 2010 OF THE ACT, AMENDED MAY 12, 1999
4 (P.L.26, NO.4) AND MAY 24, 2000 (P.L.106, NO.23), IS AMENDED TO
5 READ:

6 SECTION 2010. LIMITED TAX CREDITS.--(A) THE GENERAL
7 ASSEMBLY OF THE COMMONWEALTH, CONSCIOUS OF THE FINANCIAL
8 PRESSURES FACING SMALL BREWERS IN PENNSYLVANIA AND THE ATTENDANT
9 RISK OF BUSINESS FAILURE AND LOSS OF EMPLOYMENT OPPORTUNITY,
10 DECLARES IT PUBLIC POLICY THAT RENEWAL AND IMPROVEMENT OF SMALL
11 BREWERS BE ENCOURAGED AND ASSISTED BY A LIMITED TAX SUBSIDY TO
12 BE GRANTED DURING THE PERIOD SET FORTH IN THIS SECTION.

13 (B) AS USED IN THIS SECTION:

14 "AMOUNTS PAID." THE PHRASE MEANS (I) AMOUNTS ACTUALLY PAID,
15 OR (II) AT THE TAXPAYER'S ELECTION, AMOUNTS PROMISED TO BE PAID
16 UNDER FIRM PURCHASE CONTRACTS ACTUALLY EXECUTED DURING ANY
17 CALENDAR YEAR FALLING WITHIN THE EFFECTIVE PERIOD OF THIS
18 SECTION: PROVIDED, HOWEVER, THAT THERE SHALL BE NO DUPLICATION
19 OF "AMOUNTS PAID" UNDER THIS DEFINITION.

20 "EFFECTIVE PERIOD." THE PERIOD FROM JANUARY 1, 1974, TO
21 [DECEMBER 31, 2003] DECEMBER 31, 2008, INCLUSIVE.

22 "QUALIFYING CAPITAL EXPENDITURES." AMOUNTS PAID BY A
23 TAXPAYER DURING THE EFFECTIVE PERIOD OF THIS SECTION FOR THE
24 PURCHASE OF ITEMS OF PLANT, MACHINERY OR EQUIPMENT FOR USE BY
25 THE TAXPAYER WITHIN THIS COMMONWEALTH IN THE MANUFACTURE AND
26 SALE OF MALT OR BREWED BEVERAGES: PROVIDED, HOWEVER, THAT THE
27 TOTAL AMOUNT OF QUALIFYING CAPITAL EXPENDITURES MADE BY A
28 TAXPAYER WITHIN A SINGLE CALENDAR YEAR SHALL NOT EXCEED TWO
29 HUNDRED THOUSAND DOLLARS (\$200,000).

30 "SECRETARY." THE SECRETARY OF REVENUE OF THE COMMONWEALTH OF

1 PENNSYLVANIA WHERE NOT OTHERWISE QUALIFIED.

2 "TAXPAYER." A MANUFACTURER OF MALT OR BREWED BEVERAGES
3 CLAIMING A TAX CREDIT OR CREDITS UNDER THIS SECTION AND HAVING
4 AN ANNUAL PRODUCTION OF MALT OR BREWED BEVERAGES THAT DOES NOT
5 EXCEED [THREE HUNDRED THOUSAND (300,000)] ONE MILLION FIVE
6 HUNDRED THOUSAND (1,500,000) BARRELS.

7 (C) A TAX CREDIT OR CREDITS SHALL BE ALLOWED FOR EACH
8 CALENDAR YEAR TO A TAXPAYER, AS HEREINAFTER PROVIDED, NOT TO
9 EXCEED IN TOTAL AMOUNT THE AMOUNT OF QUALIFYING CAPITAL
10 EXPENDITURES MADE BY THE TAXPAYER AND CERTIFIED BY THE
11 SECRETARY.

12 (D) A TAXPAYER DESIRING TO CLAIM A TAX CREDIT OR CREDITS
13 UNDER THIS SECTION SHALL WITHIN ONE YEAR OF THE DATE OF THE
14 ORIGINAL PURCHASE OF THE QUALIFYING CAPITAL EXPENDITURES, IN
15 ACCORDANCE WITH REGULATIONS PROMULGATED BY THE SECRETARY, REPORT
16 ANNUALLY TO THE SECRETARY THE NATURE, AMOUNTS AND DATES OF
17 QUALIFYING CAPITAL EXPENDITURES MADE BY HIM AND SUCH OTHER
18 INFORMATION AS THE SECRETARY SHALL REQUIRE. IF SATISFIED AS TO
19 THE CORRECTNESS OF SUCH A REPORT, THE SECRETARY SHALL ISSUE TO
20 THE TAXPAYER A CERTIFICATE ESTABLISHING THE AMOUNT OF QUALIFYING
21 CAPITAL EXPENDITURES MADE BY THE TAXPAYER AND INCLUDED WITHIN
22 SAID REPORT. THE TAXPAYER SHALL ALSO PROVIDE TO THE SECRETARY
23 THE NUMBER OF EMPLOYES, TOTAL PRODUCTION OF MALT OR BREWED
24 BEVERAGES AND THE AMOUNT OF CAPITAL EXPENDITURES MADE BY THE
25 TAXPAYER AT EACH LOCATION OPERATED BY THE TAXPAYER OR A PARENT
26 CORPORATION, SUBSIDIARY, JOINT VENTURE OR AFFILIATE. ALSO, THE
27 TAXPAYER SHALL NOTIFY THE SECRETARY OF ANY CONTRACT FOR
28 PRODUCTION HELD WITH ANOTHER MANUFACTURER. THE SECRETARY SHALL
29 FILE A REPORT ANNUALLY WITH THE CHIEF CLERK OF THE HOUSE OF
30 REPRESENTATIVES AND WITH THE SECRETARY OF THE SENATE OUTLINING

1 THE EMPLOYMENT, PRODUCTION, EXPENDITURES AND TAX CREDITS
2 AUTHORIZED UNDER THIS SECTION.

3 (E) UPON RECEIPT FROM A TAXPAYER OF A CERTIFICATE FROM THE
4 SECRETARY ISSUED UNDER SUBSECTION (C), THE SECRETARY OF REVENUE
5 SHALL GRANT A TAX CREDIT OR CREDITS IN THE AMOUNT CERTIFIED
6 AGAINST ANY TAX DUE UNDER THIS ARTICLE IN THE CALENDAR YEAR IN
7 WHICH THE EXPENDITURES WERE [FIRST] INCURRED OR [THEREAFTER]
8 AGAINST ANY TAX BECOMING DUE FROM THE TAXPAYER UNDER THIS
9 ARTICLE IN THE FOLLOWING THREE CALENDAR YEARS. NO CREDIT SHALL
10 BE ALLOWED AGAINST ANY TAX DUE FOR ANY TAXABLE PERIOD ENDING
11 AFTER [DECEMBER 31, 2003] DECEMBER 31, 2008.

12 SECTION 24. THE DEFINITIONS OF "FEDERAL ESTATE TAX" AND
13 "TRANSFER OF PROPERTY FOR THE SOLE USE" IN SECTION 2102 OF THE
14 ACT, ADDED JUNE 29, 2002 (P.L.559, NO.89), ARE AMENDED TO READ:

15 SECTION 2102. DEFINITIONS.--THE FOLLOWING WORDS, TERMS AND
16 PHRASES, WHEN USED IN THIS ARTICLE, SHALL HAVE THE MEANINGS
17 ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT
18 CLEARLY INDICATES A DIFFERENT MEANING[, AND, UNLESS SPECIFICALLY
19 PROVIDED OTHERWISE, ANY REFERENCE IN THIS ARTICLE TO THE
20 INTERNAL REVENUE CODE OF 1986 SHALL MEAN THE INTERNAL REVENUE
21 CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 1 ET SEQ.) AS
22 AMENDED TO JUNE 1, 2001]:

23 * * *

24 ["FEDERAL ESTATE TAX." THE TAX IMPOSED UNDER CHAPTER 11 OF
25 THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C.
26 § 2001 ET SEQ.) AND REGULATIONS PROMULGATED THEREUNDER.]

27 * * *

28 "TRANSFER OF PROPERTY FOR THE SOLE USE." A TRANSFER TO OR
29 FOR THE USE OF A TRANSFEREE IF, DURING THE TRANSFEREE'S
30 LIFETIME, THE TRANSFEREE IS ENTITLED TO ALL INCOME AND PRINCIPAL

1 DISTRIBUTIONS FROM THE PROPERTY AND NO PERSON, INCLUDING THE
2 TRANSFEREE, POSSESSES [A] AN INTER VIVOS POWER OF APPOINTMENT
3 OVER THE PROPERTY.

4 * * *

5 SECTION 25. SECTION 2111(R) OF THE ACT, AMENDED JUNE 29,
6 2002 (PL.559, NO.89), IS AMENDED TO READ:

7 SECTION 2111. TRANSFERS NOT SUBJECT TO TAX.--* * *

8 (R) PAYMENTS UNDER PENSION, STOCK BONUS, PROFIT-SHARING AND
9 OTHER RETIREMENT PLANS, INCLUDING H.R.10 PLANS, INDIVIDUAL
10 RETIREMENT ACCOUNTS, INDIVIDUAL RETIREMENT ANNUITIES AND
11 INDIVIDUAL RETIREMENT BONDS TO DISTRIBUTEES DESIGNATED BY THE
12 DECEDENT OR DESIGNATED IN ACCORDANCE WITH THE TERMS OF THE PLAN,
13 ARE EXEMPT FROM INHERITANCE TAX TO THE EXTENT THAT THE DECEDENT
14 BEFORE HIS DEATH DID NOT OTHERWISE HAVE THE RIGHT TO POSSESS
15 (INCLUDING PROPRIETARY RIGHTS AT TERMINATION OF EMPLOYMENT),
16 ENJOY, ASSIGN OR ANTICIPATE THE PAYMENT MADE. IN ADDITION TO
17 THIS EXEMPTION, WHETHER OR NOT THE DECEDENT POSSESSED ANY OF
18 THESE RIGHTS, THE PAYMENTS ARE EXEMPT FROM INHERITANCE TAX TO
19 THE SAME EXTENT THAT THEY ARE EXEMPT FROM FEDERAL ESTATE TAX
20 UNDER THE PROVISIONS OF THE INTERNAL REVENUE CODE OF 1986
21 (PUBLIC LAW 99-514, 26 U.S.C. § 1 ET SEQ.), AS AMENDED, ANY
22 SUPPLEMENT TO THE CODE OR ANY SIMILAR PROVISION IN EFFECT FROM
23 TIME TO TIME FOR FEDERAL ESTATE TAX PURPOSES, EXCEPT THAT A
24 PAYMENT WHICH WOULD OTHERWISE BE EXEMPT FOR FEDERAL ESTATE TAX
25 PURPOSES IF IT HAD NOT BEEN MADE IN A LUMP-SUM OR OTHER
26 NONEXEMPT FORM OF PAYMENT SHALL BE EXEMPT FROM INHERITANCE TAX
27 EVEN THOUGH PAID IN A LUMP-SUM OR OTHER FORM OF PAYMENT. THE
28 PROCEEDS OF LIFE INSURANCE OTHERWISE EXEMPT UNDER SUBSECTION (D)
29 SHALL NOT BE SUBJECT TO INHERITANCE TAX BECAUSE THEY ARE PAID
30 UNDER A PENSION, STOCK BONUS, PROFIT-SHARING, H.R.10 OR OTHER

1 RETIREMENT PLAN.

2 SECTION 26. SECTIONS 2117 AND 2145 OF THE ACT, AMENDED OR
3 ADDED AUGUST 4, 1991 (P.L.97, NO.22), ARE AMENDED TO READ:

4 SECTION 2117. ESTATE TAX.--(A) IN THE EVENT THAT A FEDERAL
5 ESTATE TAX [WOULD BE] IS PAYABLE TO THE FEDERAL GOVERNMENT ON
6 THE TRANSFER OF THE TAXABLE ESTATE OF A DECEDENT WHO WAS A
7 RESIDENT OF THIS COMMONWEALTH AT THE TIME OF HIS DEATH, AND THE
8 INHERITANCE TAX, IF ANY, ACTUALLY PAID TO THE COMMONWEALTH BY
9 REASON OF THE DEATH OF THE DECEDENT (DISREGARDING INTEREST OR
10 THE AMOUNT OF ANY DISCOUNT ALLOWED UNDER SECTION 2142) IS LESS
11 THAN THE MAXIMUM CREDIT FOR STATE DEATH TAXES ALLOWABLE UNDER
12 SECTION 2011 OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW
13 99-514, 26 U.S.C. § 2011), A TAX EQUAL TO THE DIFFERENCE IS
14 IMPOSED. IF A RESIDENT DECEDENT OWNED OR HAD AN INTEREST IN REAL
15 PROPERTY OR TANGIBLE PERSONAL PROPERTY HAVING A SITUS IN ANOTHER
16 STATE, THE TAX SO IMPOSED SHALL BE REDUCED BY THE GREATER OF:

17 (1) THE AMOUNT OF DEATH TAXES ACTUALLY PAID TO THE OTHER
18 STATE WITH RESPECT TO THE ESTATE OF THE DECEDENT, EXCLUDING ANY
19 DEATH TAX EXPRESSLY IMPOSED TO RECEIVE THE BENEFIT OF THE CREDIT
20 FOR STATE DEATH TAXES ALLOWED UNDER SECTION 2011 OF THE INTERNAL
21 REVENUE CODE OF 1986 (26 U.S.C. § 2011); OR

22 (2) AN AMOUNT COMPUTED BY MULTIPLYING THE MAXIMUM CREDIT FOR
23 STATE DEATH TAXES ALLOWABLE UNDER SECTION 2011 OF THE INTERNAL
24 REVENUE CODE OF 1986 (26 U.S.C. § 2011) BY A FRACTION, THE
25 NUMERATOR OF WHICH IS THE VALUE OF THE REAL PROPERTY AND
26 TANGIBLE PERSONAL PROPERTY TO THE EXTENT INCLUDED IN THE
27 DECEDENT'S GROSS ESTATE FOR FEDERAL ESTATE TAX PURPOSES AND
28 HAVING A SITUS IN THE OTHER STATE AND THE DENOMINATOR OF WHICH
29 IS THE VALUE OF THE DECEDENT'S GROSS ESTATE FOR FEDERAL ESTATE
30 TAX PURPOSES.

1 (B) IN THE EVENT THAT A FEDERAL ESTATE TAX [WOULD BE] IS
2 PAYABLE TO THE FEDERAL GOVERNMENT ON THE TRANSFER OF THE TAXABLE
3 ESTATE OF A DECEDENT WHO WAS NOT A RESIDENT OF THIS COMMONWEALTH
4 AT THE TIME OF HIS DEATH BUT WHO OWNED OR HAD AN INTEREST IN
5 REAL PROPERTY OR TANGIBLE PERSONAL PROPERTY HAVING A SITUS IN
6 THIS COMMONWEALTH, A TAX IS IMPOSED IN AN AMOUNT COMPUTED BY
7 MULTIPLYING THE MAXIMUM CREDIT FOR STATE DEATH TAXES ALLOWABLE
8 UNDER SECTION 2011 OF THE INTERNAL REVENUE CODE OF 1986 (26
9 U.S.C. § 2011) BY A FRACTION, THE NUMERATOR OF WHICH IS THE
10 VALUE OF THE REAL PROPERTY AND TANGIBLE PERSONAL PROPERTY TO THE
11 EXTENT INCLUDED IN THE DECEDENT'S GROSS ESTATE FOR FEDERAL
12 ESTATE TAX PURPOSES HAVING A SITUS IN THIS COMMONWEALTH AND THE
13 DENOMINATOR OF WHICH IS THE VALUE OF THE DECEDENT'S GROSS ESTATE
14 FOR FEDERAL ESTATE TAX PURPOSES, AND DEDUCTING FROM THAT AMOUNT
15 THE INHERITANCE TAX, IF ANY, ACTUALLY PAID TO THE COMMONWEALTH
16 (DISREGARDING INTEREST OR THE AMOUNT OF ANY DISCOUNT ALLOWED
17 UNDER SECTION 2142).

18 (C) WHEN AN INHERITANCE TAX IS IMPOSED AFTER AN ESTATE TAX
19 IMPOSED UNDER SUBSECTION (A) OR (B) HAS BEEN PAID, THE ESTATE
20 TAX PAID SHALL BE CREDITED AGAINST ANY INHERITANCE TAX LATER
21 IMPOSED.

22 SECTION 2145. ESTATE TAX RETURN.--(A) THE PERSON OR PERSONS
23 REQUIRED BY SECTION 2136 TO MAKE THE INHERITANCE TAX RETURN
24 SHALL BE INITIALLY LIABLE FOR PAYMENT OF THE ESTATE TAX.

25 (B) THE PERSONAL REPRESENTATIVE OF EVERY DECEDENT OR, IF
26 THERE IS NO PERSONAL REPRESENTATIVE, ANY OTHER FIDUCIARY [THAT
27 WOULD BE CHARGEABLE] CHARGED BY LAW WITH THE DUTY OF FILING A
28 FEDERAL ESTATE TAX RETURN, WITHIN [TEN MONTHS AFTER THE
29 DECEDENT'S DEATH] ONE MONTH OF THE FILING OR RECEIPT OF THE
30 RETURN SHALL FILE WITH THE REGISTER OR, IF THE DECEDENT WAS A

1 NONRESIDENT, WITH THE REGISTER WHO ISSUED LETTERS, IF ANY, IN
2 THIS COMMONWEALTH, OR OTHERWISE WITH THE DEPARTMENT, A [TAX
3 RETURN PRESCRIBED BY THE DEPARTMENT, ANY RETURN FILED UNDER
4 SECTION 6018 OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW
5 99-514, 26 U.S.C. § 6018) AS AMENDED] COPY OF THE DECEDENT'S
6 FEDERAL ESTATE TAX RETURN AND OF ANY COMMUNICATION FROM THE
7 FEDERAL GOVERNMENT MAKING ANY FINAL CHANGE IN THE RETURN OR OF
8 THE TAX DUE. THE ASSESSMENT OF ESTATE TAX SHALL BE MADE BY THE
9 REGISTER OR DEPARTMENT WITHIN THREE MONTHS AFTER THE FILING OF
10 THE DOCUMENTS REQUIRED TO BE FILED AND, IF NOT SO MADE, SHALL BE
11 MADE WITHIN AN ADDITIONAL PERIOD AS THE COURT, UPON APPLICATION
12 OF ANY PARTY IN INTEREST, INCLUDING THE PERSONAL REPRESENTATIVE,
13 SHALL FIX.

14 (C) THE ESTATE TAX IS DUE AT THE DATE OF THE DECEDENT'S
15 DEATH BUT SHALL NOT BECOME DELINQUENT UNTIL THE EXPIRATION OF
16 NINE MONTHS AFTER DECEDENT'S DEATH. ANY ESTATE TAX OCCASIONED BY
17 A FINAL CHANGE IN THE FEDERAL RETURN OR OF THE TAX DUE SHALL NOT
18 BECOME DELINQUENT UNTIL THE EXPIRATION OF ONE MONTH AFTER THE
19 PERSON OR PERSONS LIABLE TO PAY THE TAX HAVE RECEIVED FINAL
20 NOTICE OF THE INCREASE IN THE FEDERAL ESTATE TAX.

21 (D) NO DISCOUNT SHALL BE ALLOWED IN PAYING THE ESTATE TAX.

22 (E) IF THE ESTATE TAX IS NOT PAID BEFORE THE DATE IT BECOMES
23 DELINQUENT UNDER SUBSECTION (C), INTEREST ON THE UNPAID TAX
24 SHALL BE CHARGED AFTER THE DATE OF DELINQUENCY AT THE RATE
25 ESTABLISHED IN SECTION 2143.

26 (F) THE ESTATE TAX SHALL BE APPORTIONED AND ULTIMATELY BORNE
27 IN ACCORDANCE WITH THE PROVISIONS OF 20 PA.C.S. CH. 37 (RELATING
28 TO APPORTIONMENT OF DEATH TAXES) UNLESS OTHERWISE PROVIDED BY
29 THIS ARTICLE OR IN THE INSTRUMENT OF TRANSFER.

30 (G) WHEN THE DECEDENT WAS A RESIDENT, THE ESTATE TAX SHALL

1 BE PAID TO THE REGISTER. WHEN THE DECEDENT WAS A NONRESIDENT,
2 THE ESTATE TAX SHALL BE PAID TO THE REGISTER WHO ISSUED LETTERS,
3 IF ANY, IN THIS COMMONWEALTH; OTHERWISE, IT SHALL BE PAID TO THE
4 DEPARTMENT.

5 SECTION 27. SECTION 2301 OF THE ACT, AMENDED OR ADDED JULY
6 1, 1994 (P.L.413, NO.67) AND MAY 12, 1999 (P.L.26, NO.4), IS
7 AMENDED TO READ:

8 SECTION 2301. PUBLIC TRANSPORTATION ASSISTANCE FUND.--(A)
9 THERE IS HEREBY CREATED A SPECIAL FUND IN THE STATE TREASURY TO
10 BE KNOWN AS THE PUBLIC TRANSPORTATION ASSISTANCE FUND. MONEYS
11 DEPOSITED INTO THE FUND AND INTEREST WHICH ACCRUES FROM THOSE
12 FUNDS SHALL BE USED FOR THE PURPOSES DELINEATED IN 74 PA.C.S. §
13 1310 (RELATING TO DISTRIBUTION OF FUNDING).

14 (B) FUNDS RECEIVED UNDER THE PROVISIONS OF THIS SECTION, AS
15 ESTIMATED AND CERTIFIED BY THE SECRETARY OF REVENUE, SHALL BE
16 DEPOSITED WITHIN FIVE DAYS OF THE END OF EACH MONTH INTO THE
17 FUND. UNLESS OTHERWISE SPECIFICALLY NOTED, THE PROVISIONS OF
18 ARTICLE II SHALL APPLY TO THE FEES AND TAXES IMPOSED BY
19 SUBSECTIONS (C), (D) AND (E). [UNLESS OTHERWISE SPECIFICALLY
20 NOTED, THE PROVISIONS OF ARTICLE XI-A SHALL APPLY TO THE TAX
21 IMPOSED UNDER SUBSECTION (F).]

22 (C) THERE IS HEREBY IMPOSED A FEE ON EACH SALE IN THIS
23 COMMONWEALTH OF NEW TIRES FOR HIGHWAY USE AT THE RATE OF ONE
24 DOLLAR (\$1) PER TIRE. THE FEE SHALL BE COLLECTED BY THE SELLER
25 FROM THE PURCHASER AND REMITTED TO THE DEPARTMENT OF REVENUE. NO
26 EXCLUSIONS OR EXEMPTIONS, OTHER THAN THOSE FOR GOVERNMENTAL
27 ENTITIES PROVIDED UNDER ARTICLE II, SHALL APPLY TO THE FEES AND
28 TAXES IMPOSED BY THIS SECTION.

29 (D) (1) THERE IS HEREBY IMPOSED ON EACH LEASE OF A MOTOR
30 VEHICLE SUBJECT TO TAX UNDER ARTICLE II AN ADDITIONAL TAX OF

1 THREE PER CENT OF THE TOTAL LEASE PRICE CHARGED.

2 (2) AS USED IN THIS SUBSECTION ON AND AFTER APRIL 1, 1995,
3 THE TERM "MOTOR VEHICLE" DOES NOT INCLUDE TRUCKS IN CLASS 4 OR
4 HIGHER AS DEFINED IN 75 PA.C.S. § 1916(A)(1) (RELATING TO TRUCKS
5 AND TRUCK TRACTORS).

6 (E) THERE IS HEREBY IMPOSED ON EACH RENTAL OF A MOTOR
7 VEHICLE SUBJECT TO TAX UNDER ARTICLE II A FEE OF TWO DOLLARS
8 (\$2) FOR EACH DAY OR PART OF A DAY FOR WHICH THE VEHICLE IS
9 RENTED.

10 [(F) EVERY ENTITY REQUIRED TO PAY THE TAX IMPOSED UNDER
11 ARTICLE XI-A SHALL, IN ADDITION TO THAT TAX, PAY AN ADDITIONAL
12 TAX OF SEVEN AND SIX-TENTHS (7.6) MILLS UPON EACH DOLLAR OF THE
13 STATE TAXABLE VALUE OF ITS UTILITY REALTY.]

14 SECTION 28. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

15 SECTION 2302. ADMINISTRATION.--FOR FISCAL YEARS BEGINNING
16 AFTER JUNE 30, 2003, THE DEPARTMENT OF REVENUE SHALL NOT MAKE
17 ANY TRANSFERS INTO OR OUT OF THE PUBLIC TRANSPORTATION
18 ASSISTANCE FUND TO ADJUST FOR PRIOR YEAR PAYMENTS, CREDITS,
19 REFUNDS OR APPEALS.

20 SECTION 29. SECTION 3003.2(A)(5), (B)(1) AND (4.2), (C)(5)
21 AND (G) OF THE ACT, AMENDED JUNE 29, 2002 (P.L.559, NO.89), ARE
22 AMENDED TO READ:

23 SECTION 3003.2. ESTIMATED TAX.--(A) THE FOLLOWING TAXPAYERS
24 ARE REQUIRED TO PAY ESTIMATED TAX:

25 * * *

26 (5) EVERY PERSON SUBJECT TO THE TAX IMPOSED BY ARTICLE XI OF
27 THIS ACT SHALL MAKE PAYMENTS OF ESTIMATED [UTILITIES] GROSS
28 RECEIPTS TAX DURING ITS TAXABLE YEAR.

29 * * *

30 (B) THE FOLLOWING WORDS, TERMS AND PHRASES WHEN USED IN

[SECTIONS 3003.2 THROUGH 3003.4 OF THIS ARTICLE] THIS SECTION
AND SECTION 3003.3 SHALL HAVE THE FOLLOWING MEANINGS ASCRIBED TO
THEM:

(1) "ESTIMATED TAX." ESTIMATED CORPORATE NET INCOME TAX,
ESTIMATED CAPITAL STOCK AND FRANCHISE TAX, ESTIMATED MUTUAL
THRIFT INSTITUTION TAX, ESTIMATED INSURANCE PREMIUMS TAX,
ESTIMATED [UTILITIES] GROSS RECEIPTS TAX OR ESTIMATED PUBLIC
UTILITY REALTY SURCHARGE.

* * *

(4.2) "ESTIMATED [UTILITIES] GROSS RECEIPTS TAX." THE
AMOUNT WHICH THE TAXPAYER ESTIMATES AS THE AMOUNT OF TAX IMPOSED
BY SECTION 1101 OF ARTICLE XI FOR THE TAXABLE YEAR.

* * *

(C) ESTIMATED TAX SHALL BE PAID AS FOLLOWS:

* * *

(5) PAYMENT OF THE ESTIMATED [UTILITIES] GROSS RECEIPTS TAX
SHALL BE MADE IN A SINGLE INSTALLMENT ON OR BEFORE THE FIFTEENTH
DAY OF MARCH OF THE TAXABLE YEAR. THE REMAINING PORTION OF THE
[UTILITIES] GROSS RECEIPTS TAX DUE, IF ANY, SHALL BE PAID UPON
THE DATE THE ANNUAL REPORT IS REQUIRED TO BE FILED WITHOUT
REFERENCE TO ANY EXTENSION OF TIME FOR FILING THE REPORT.

* * *

(G) FOR ALL PURPOSES OF [SECTIONS 3003.2 THROUGH 3003.4 OF
THIS ARTICLE] THIS SECTION AND SECTION 3003.3, ESTIMATED
CORPORATE NET INCOME TAX, ESTIMATED CAPITAL STOCK AND FRANCHISE
TAX, ESTIMATED MUTUAL THRIFT INSTITUTIONS TAX, ESTIMATED
INSURANCE PREMIUMS TAX, ESTIMATED [UTILITIES] GROSS RECEIPTS TAX
AND ESTIMATED PUBLIC UTILITY REALTY SURCHARGE SHALL BE
SEPARATELY REPORTED, DETERMINED AND TREATED.

* * *

SECTION 30. SECTION 3003.3(D) OF THE ACT, AMENDED MAY 7,
1997 (P.L.85, NO.7), IS AMENDED TO READ:

SECTION 3003.3. UNDERPAYMENT OF ESTIMATED TAX.--* * *

(D) NOTWITHSTANDING THE PROVISIONS OF THE PRECEDING
SUBSECTIONS, INTEREST WITH RESPECT TO ANY UNDERPAYMENT OF ANY
INSTALLMENT OF ESTIMATED TAX SHALL NOT BE IMPOSED IF THE TOTAL
AMOUNT OF ALL PAYMENTS OF ESTIMATED TAX MADE ON OR BEFORE THE
LAST DATE PRESCRIBED FOR THE PAYMENT OF SUCH INSTALLMENT EQUALS
OR EXCEEDS THE AMOUNT WHICH WOULD HAVE BEEN REQUIRED TO BE PAID
ON OR BEFORE SUCH DATE IF THE ESTIMATED TAX WERE AN AMOUNT EQUAL
TO THE TAX COMPUTED AT THE RATES APPLICABLE TO THE TAXABLE YEAR,
INCLUDING ANY MINIMUM TAX IMPOSED, BUT OTHERWISE ON THE BASIS OF
THE FACTS SHOWN ON THE REPORT OF THE TAXPAYER FOR, AND THE LAW
APPLICABLE TO, THE SAFE HARBOR BASE YEAR, ADJUSTED FOR ANY
CHANGES TO SECTIONS 401, 601 [AND], 602 AND 1101 ENACTED FOR THE
TAXABLE YEAR, IF A REPORT SHOWING A LIABILITY FOR TAX WAS FILED
BY THE TAXPAYER FOR THE SAFE HARBOR BASE YEAR. IF THE TOTAL
AMOUNT OF ALL PAYMENTS OF ESTIMATED TAX MADE ON OR BEFORE THE
LAST DATE PRESCRIBED FOR THE PAYMENT OF SUCH INSTALLMENT DOES
NOT EQUAL OR EXCEED THE AMOUNT REQUIRED TO BE PAID PER THE
PRECEDING SENTENCE, BUT SUCH AMOUNT IS PAID AFTER THE DATE THE
INSTALLMENT WAS REQUIRED TO BE PAID, THEN THE PERIOD OF
UNDERPAYMENT SHALL RUN FROM THE DATE THE INSTALLMENT WAS
REQUIRED TO BE PAID TO THE DATE THE AMOUNT REQUIRED TO BE PAID
PER THE PRECEDING SENTENCE IS PAID. PROVIDED, THAT IF THE
SETTLED TAX FOR THE SAFE HARBOR BASE YEAR EXCEEDS THE TAX SHOWN
ON SUCH REPORT BY TEN PER CENT OR MORE, THE SETTLED TAX ADJUSTED
TO REFLECT THE CURRENT TAX RATE SHALL BE USED FOR PURPOSES OF
THIS SUBSECTION, EXCEPT THAT, IF THE SETTLED TAX IS SUBSEQUENTLY
RESETTLED, THE AMOUNT OF TAX AS RESETTLED SHALL BE UTILIZED IN

1 THE APPLICATION OF THIS SUBSECTION WITHOUT THE NECESSITY OF THE
2 FILING OF ANY PETITION BY THE DEPARTMENT OR BY THE TAXPAYER. IN
3 THE EVENT THAT THE SETTLED OR RESETTLED TAX FOR THE SAFE HARBOR
4 BASE YEAR EXCEEDS THE TAX SHOWN ON THE REPORT BY TEN PER CENT OR
5 MORE, INTEREST RESULTING FROM THE UTILIZATION OF SUCH SETTLED OR
6 RESETTLED TAX IN THE APPLICATION OF THE PROVISIONS OF THIS
7 SUBSECTION SHALL NOT BE IMPOSED IF, WITHIN FORTY-FIVE DAYS OF
8 THE MAILING DATE OF SUCH SETTLEMENT OR RESETTLEMENT, PAYMENTS
9 ARE MADE SUCH THAT THE TOTAL AMOUNT OF ALL PAYMENTS OF ESTIMATED
10 TAX EQUALS OR EXCEEDS THE AMOUNT WHICH WOULD HAVE BEEN REQUIRED
11 TO BE PAID ON OR BEFORE SUCH DATE IF THE ESTIMATED TAX WERE AN
12 AMOUNT EQUAL TO SUCH SETTLED OR RESETTLED TAX ADJUSTED TO
13 REFLECT THE CURRENT TAX RATE. IN ANY CASE IN WHICH THE TAXABLE
14 YEAR FOR WHICH AN UNDERPAYMENT OF ESTIMATED TAX MAY EXIST IS A
15 SHORT TAXABLE YEAR, IN DETERMINING THE TAX SHOWN ON THE REPORT
16 OR THE SETTLED OR RESETTLED TAX FOR THE SAFE HARBOR BASE YEAR,
17 THE TAX WILL BE REDUCED BY MULTIPLYING IT BY THE RATIO OF THE
18 NUMBER OF INSTALLMENT PAYMENTS MADE IN THE SHORT TAXABLE YEAR TO
19 THE NUMBER OF INSTALLMENT PAYMENTS REQUIRED TO BE MADE FOR THE
20 FULL TAXABLE YEAR.

21 SECTION 31. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

22 SECTION 3003.15. AUTHORITY TO ATTACH WAGES, COMMISSIONS AND
23 OTHER EARNINGS.--(A) THE DEPARTMENT OF REVENUE MAY, UPON THE
24 PRESENTATION OF A WRITTEN NOTICE AND DEMAND CERTIFYING THAT THE
25 INFORMATION CONTAINED WITHIN IS TRUE AND CORRECT AND CONTAINING
26 THE NAME OF THE TAXPAYER AND THE AMOUNT OF DELINQUENT STATE TAX
27 DUE PLUS THE DEPARTMENT'S COSTS, DEMAND, RECEIVE AND COLLECT THE
28 AMOUNT FROM ANY ENTITY:

29 (1) EMPLOYING PERSONS OWING DELINQUENT STATE TAXES; OR

30 (2) HAVING IN ITS POSSESSION UNPAID COMMISSIONS OR EARNINGS

1 BELONGING TO ANY PERSON OR PERSONS OWING DELINQUENT STATE TAXES.

2 (B) SUBJECT TO THE LIMITATIONS IN SUBSECTION (C), UPON THE
3 RECEIPT OF A WRITTEN NOTICE AND DEMAND PURSUANT TO SUBSECTION
4 (A), AN ENTITY SHALL DEDUCT FROM THE WAGES OF AN INDIVIDUAL
5 EMPLOYEE THE AMOUNT SHOWN ON THE NOTICE AND SHALL FORWARD THE
6 AMOUNT TO THE DEPARTMENT WITHIN SIXTY DAYS AFTER RECEIPT OF THE
7 NOTICE.

8 (C) NO MORE THAN TEN PER CENT OF THE WAGES OF AN INDIVIDUAL
9 EMPLOYEE WHO IS A DELINQUENT TAXPAYER MAY BE DEDUCTED AT ANY ONE
10 TIME FOR DELINQUENT STATE TAXES AND COSTS. THE ENTITY IS
11 ENTITLED TO DEDUCT FROM THE AMOUNT COLLECTED FROM THE INDIVIDUAL
12 EMPLOYEE THE COSTS INCURRED BY THE ENTITY FOR THE EXTRA
13 BOOKKEEPING NECESSARY TO RECORD THE TRANSACTIONS, BUT NOT TO
14 EXCEED TWO PER CENT OF THE AMOUNT COLLECTED FROM THE INDIVIDUAL
15 EMPLOYEE.

16 (D) UPON THE FAILURE OF AN ENTITY TO DEDUCT OR FORWARD AN
17 AMOUNT REQUIRED UNDER THIS SECTION WITHIN THE TIME PERIOD
18 REQUIRED UNDER SUBSECTION (B), THE ENTITY SHALL PAY THE AMOUNT
19 OF THE DELINQUENT STATE TAX AND COSTS FOR EACH INDIVIDUAL
20 EMPLOYEE WHO IS A DELINQUENT TAXPAYER SUBJECT TO A DEMAND IN
21 ADDITION TO A PENALTY IN ACCORDANCE WITH SECTION 352(H). AN
22 ENTITY PAYING DELINQUENT TAXES, COSTS AND A PENALTY PURSUANT TO
23 THIS SUBSECTION SHALL NOT HAVE THE BENEFIT OF ANY STAY OF
24 EXECUTION OR EXEMPTION LAW.

25 (E) THE FOLLOWING WORDS, TERMS AND PHRASES, WHEN USED IN
26 THIS SECTION, SHALL HAVE THE MEANING ASCRIBED TO THEM IN THIS
27 SECTION, EXCEPT WHERE THE CONTEXT CLEARLY INDICATES A DIFFERENT
28 MEANING:

29 "ENTITY." THE UNITED STATES, THE COMMONWEALTH OR ANY OF ITS
30 POLITICAL SUBDIVISIONS, A CORPORATION, AN ASSOCIATION, A

1 COMPANY, A FIRM OR AN INDIVIDUAL.

2 "WAGES." ANY WAGES, COMMISSIONS OR EARNINGS OF AN INDIVIDUAL
3 EMPLOYEE:

4 (1) WHICH ARE CURRENTLY OWED TO THE INDIVIDUAL EMPLOYEE;

5 (2) WHICH SHALL BECOME DUE WITHIN SIXTY DAYS OF RECEIPT OF A
6 WRITTEN NOTICE AND DEMAND PURSUANT TO SUBSECTION (B);

7 (3) ANY UNPAID COMMISSIONS OR EARNINGS OF AN INDIVIDUAL
8 EMPLOYEE IN THE ENTITY'S POSSESSION; OR

9 (4) ANY UNPAID COMMISSIONS OR EARNINGS OF AN INDIVIDUAL
10 EMPLOYEE THAT COMES INTO THE ENTITY'S POSSESSION WITHIN SIXTY
11 DAYS OF RECEIPT OF A WRITTEN NOTICE AND DEMAND PURSUANT TO
12 SUBSECTION (A).

13 SECTION 32. BY APRIL 1, 2004, THE DEPARTMENT OF REVENUE
14 SHALL SUBMIT A DETAILED REPORT TO THE CHAIRMAN AND MINORITY
15 CHAIRMAN OF THE APPROPRIATIONS COMMITTEE AND THE FINANCE
16 COMMITTEE OF THE SENATE AND THE CHAIRMAN AND MINORITY CHAIRMAN
17 OF THE APPROPRIATIONS COMMITTEE AND THE FINANCE COMMITTEE OF THE
18 HOUSE OF REPRESENTATIVES OUTLINING THE PLANS AND COSTS
19 CONCERNING A STATEWIDE TAX CLEARANCE FOR LICENSES, PERMITS AND
20 REGISTRATIONS. THE REPORT SHALL INCLUDE ALL OF THE FOLLOWING:

21 (1) THE AMOUNT OF STATE REVENUE NECESSARY TO PERFORM TAX
22 CLEARANCES FOR ALL LICENSES, PERMITS AND REGISTRATIONS FOR
23 THE DEPARTMENT, THE DEPARTMENT OF LABOR AND INDUSTRY, THE
24 DEPARTMENT OF ENVIRONMENTAL PROTECTION, THE DEPARTMENT OF
25 BANKING, THE DEPARTMENT OF STATE, THE INSURANCE DEPARTMENT
26 AND THE PENNSYLVANIA SECURITIES COMMISSION. THE AMOUNT NEEDED
27 SHALL BE ITEMIZED AND ALL COSTS, INCLUDING PERSONNEL, OFFICE
28 EXPENSES, AND OTHER RELATED COSTS, SHALL BE INCLUDED.

29 (2) THE NUMBER OF LICENSES, PERMITS AND REGISTRATIONS
30 FOR EACH AGENCY AND THE COSTS ASSOCIATED WITH THE PROGRAM BY

1 AGENCY.

2 (3) THE SOURCE OF FUNDS WHICH WILL BE UTILIZED TO PAY
3 FOR THE TAX CLEARANCE PROGRAM.

4 (4) THE LEGAL ISSUES CONCERNING THE PROPRIETY OF
5 RESTRICTING OR REVOKING A LICENSE, PERMIT OR REGISTRATION DUE
6 TO THE DELINQUENCY OF A TAX OWED.

7 (5) THE NUMBER OF OTHER STATES WHICH HAVE A SIMILAR LAW
8 IN EFFECT AND THE SUCCESS OR DEFICIENCIES OF THE LAW.

9 (6) PROPOSED DRAFT LEGISLATION CONCERNING TAX CLEARANCE.

10 (7) A DETAILED TIMETABLE ON WHEN SEPARATE TASKS MUST BE
11 COMPLETED FOR FULL IMPLEMENTATION ON AN ESTIMATED START DATE.

12 SECTION 33. THIS ACT SHALL APPLY AS FOLLOWS:

13 (1) THE ADDITION OF SECTION 201(D)(17) OF THE ACT SHALL
14 APPLY TO SALES AT RETAIL AND USES AFTER JUNE 30, 2004.

15 (2) THE AMENDMENT OF SECTION 281.2 OF THE ACT SHALL
16 APPLY TO DEPOSITS INTO THE PUBLIC TRANSPORTATION ASSISTANCE
17 FUND MADE AFTER JUNE 30, 2003.

18 (3) THE AMENDMENT OF SECTION 301(K) OF THE ACT SHALL
19 APPLY TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2003.

20 (4) THE AMENDMENT OF SECTION 302 OF THE ACT SHALL APPLY
21 TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2003.

22 (5) THE AMENDMENT OF SECTION 304(D) OF THE ACT SHALL
23 APPLY TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2003.

24 (6) THE AMENDMENT OF SECTION 330 OF THE ACT SHALL APPLY
25 RETROACTIVELY TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31,
26 2001.

27 (7) THE AMENDMENT OF SECTION 335 OF THE ACT SHALL APPLY
28 TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2003.

29 (8) THE FOLLOWING SHALL APPLY:

30 (I) THE DELETION OF THE PHRASE "OR A RELATED

1 BUSINESS TRUST WHICH CONFINES ITS ACTIVITIES IN THIS
2 COMMONWEALTH TO THE MAINTENANCE, ADMINISTRATION, AND
3 MANAGEMENT OF INTANGIBLE INVESTMENTS AND ACTIVITIES OF
4 REAL ESTATE INVESTMENT TRUSTS OR QUALIFIED REAL ESTATE
5 INVESTMENT TRUST SUBSIDIARIES" FROM SECTION 401(1)1 OF
6 THE ACT SHALL APPLY TO TAX YEARS BEGINNING AFTER DECEMBER
7 31, 2003.

8 (II) THE DELETION OF THE SENTENCE "A BUSINESS TRUST
9 WHICH IS A QUALIFIED REAL ESTATE INVESTMENT TRUST
10 SUBSIDIARY UNDER SECTION 856(I) OF THE INTERNAL REVENUE
11 CODE OF 1986 (26 U.S.C. § 856(I)) SHALL BE TREATED AS
12 PART OF THE REAL ESTATE INVESTMENT TRUST WHICH OWNS ALL
13 OF THE STOCK OF THE QUALIFIED REAL ESTATE INVESTMENT
14 TRUST SUBSIDIARY." IN SECTION 401(1)1 OF THE ACT SHALL
15 APPLY RETROACTIVELY TO JUNE 29, 2002, AND SHALL BE
16 CONSIDERED AS A CODIFICATION OF THE LAW THEN IN EFFECT.

17 (9) THE AMENDMENT OF SECTION 402.2(B) OF THE ACT SHALL
18 APPLY TO TAX YEARS BEGINNING AFTER DECEMBER 31, 2003.

19 (10) THE ADDITION OF SECTION 403.2 OF THE ACT SHALL
20 APPLY TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2003.

21 (11) THE FOLLOWING SHALL APPLY:

22 (I) THE AMENDMENT OF CLAUSE (A)(4) IN THE DEFINITION
23 OF "CORPORATION" IN SECTION 601(A) OF THE ACT SHALL APPLY
24 RETROACTIVELY TO JUNE 29, 2002, AND SHALL BE CONSIDERED
25 AS A CODIFICATION OF THE LAW THEN IN EFFECT.

26 (II) THE ADDITION OF CLAUSE (A)(6) AND (7) IN THE
27 DEFINITION OF "CORPORATION" IN SECTION 601(A) OF THE ACT
28 SHALL APPLY TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31,
29 2003.

30 (III) THE DELETION OF THE PHRASE "OR A RELATED

1 BUSINESS TRUST WHICH CONFINES ITS ACTIVITIES IN THIS
2 COMMONWEALTH TO THE MAINTENANCE, ADMINISTRATION AND
3 MANAGEMENT OF INTANGIBLE INVESTMENTS AND ACTIVITIES OF
4 REAL ESTATE INVESTMENT TRUSTS OR QUALIFIED REAL ESTATE
5 INVESTMENT TRUST SUBSIDIARIES" FROM CLAUSE (B)(1) IN THE
6 DEFINITION OF "CORPORATION" IN SECTION 601(A) OF THE ACT
7 SHALL APPLY TO TAX YEARS BEGINNING AFTER DECEMBER 31,
8 2003.

9 (IV) THE DELETION OF THE SENTENCE "A BUSINESS TRUST
10 WHICH IS A QUALIFIED REAL ESTATE INVESTMENT TRUST
11 SUBSIDIARY UNDER SECTION 856(I) OF THE INTERNAL REVENUE
12 CODE OF 1986 (26 U.S.C. § 856(I)) SHALL BE TREATED AS
13 PART OF THE REAL ESTATE INVESTMENT TRUST WHICH OWNS ALL
14 OF THE STOCK OF THE QUALIFIED REAL ESTATE INVESTMENT
15 TRUST SUBSIDIARY." IN CLAUSE (B)(1) IN THE DEFINITION OF
16 "CORPORATION" IN SECTION 601(A) OF THE ACT SHALL APPLY
17 RETROACTIVELY TO JUNE 29, 2002, AND SHALL BE CONSIDERED
18 AS A CODIFICATION OF THE LAW THEN IN EFFECT.

19 (12) THE AMENDMENT OF SECTION 1101 OF THE ACT SHALL
20 APPLY TO GROSS RECEIPTS DERIVED FROM TRANSACTIONS OCCURRING
21 AFTER DECEMBER 31, 2003.

22 (12.1) THE ADDITION OF SECTION 1112-A OF THE ACT SHALL
23 APPLY TO DEPOSITS INTO THE PUBLIC TRANSPORTATION ASSISTANCE
24 FUND MADE AFTER JUNE 30, 2003.

25 (13) THE AMENDMENT OF SECTION 1704-B(A) OF THE ACT SHALL
26 APPLY TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2004.

27 (14) THE AMENDMENT OR ADDITION OF SECTION 1704-B(C), (D)
28 AND (E) OF THE ACT SHALL APPLY TO CREDITS AWARDED AFTER
29 DECEMBER 31, 2002.

30 (15) THE AMENDMENT OF SECTION 1709-B(A) OF THE ACT SHALL

1 APPLY TO CREDITS AWARDED AFTER DECEMBER 31, 2003.

2 (16) THE AMENDMENT OF SECTION 1711-B OF THE ACT SHALL
3 APPLY TO CREDITS AWARDED AFTER DECEMBER 31, 2003.

4 (17) THE FOLLOWING PROVISIONS SHALL APPLY TO THE ESTATES
5 OF DECEDENTS WHO DIE AFTER JUNE 30, 2002:

6 (I) THE AMENDMENT OF THE DEFINITIONS OF "FEDERAL
7 ESTATE TAX," AND "TRANSFER OF PROPERTY FOR THE SOLE USE"
8 IN SECTION 2102 OF THE ACT.

9 (II) THE AMENDMENT OF SECTION 2111(R) OF THE ACT.

10 (III) THE AMENDMENT OF SECTION 2117 OF THE ACT.

11 (IV) THE AMENDMENT OF SECTION 2145 OF THE ACT.

12 (18) THE AMENDMENT OF SECTION 2301 OF THE ACT SHALL
13 APPLY TO DEPOSITS INTO THE PUBLIC TRANSPORTATION ASSISTANCE
14 FUND MADE AFTER JUNE 30, 2003.

15 (19) THE ADDITION OF SECTION 2302 OF THE ACT SHALL APPLY
16 TO DEPOSITS INTO THE PUBLIC TRANSPORTATION ASSISTANCE FUND
17 MADE AFTER JUNE 30, 2003.

18 SECTION 34. THE PROVISIONS OF 66 PA.C.S. § 2810(C)(7) ARE
19 REPEALED.

20 SECTION 35. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

21 (1) THE AMENDMENT OR ADDITION OF SECTIONS 1206, 1206.1,
22 1211, 1215 AND 1216 OF THE ACT SHALL TAKE EFFECT JANUARY 7,
23 2004.

24 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT
25 IMMEDIATELY.