

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1155 Session of  
2004

INTRODUCED BY THOMPSON, PICCOLA, LEMMOND, ERICKSON, RAFFERTY,  
PIPPY, COSTA, SCARNATI, C. WILLIAMS, MADIGAN, BRIGHTBILL,  
EARLL, TOMLINSON, GREENLEAF, GORDNER, ARMSTRONG, MOWERY,  
RHOADES, WENGER, CORMAN, JUBELIRER, PILEGGI, DENT,  
WONDERLING, CONTI, M. WHITE, D. WHITE, STACK, BOSCOLA, WAUGH,  
ROBBINS, ORIE AND PUNT, JUNE 9, 2004

REFERRED TO FINANCE, JUNE 9, 2004

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An  
2 act relating to tax reform and State taxation by codifying  
3 and enumerating certain subjects of taxation and imposing  
4 taxes thereon; providing procedures for the payment,  
5 collection, administration and enforcement thereof; providing  
6 for tax credits in certain cases; conferring powers and  
7 imposing duties upon the Department of Revenue, certain  
8 employers, fiduciaries, individuals, persons, corporations  
9 and other entities; prescribing crimes, offenses and  
10 penalties," further providing for imposition of the capital  
11 stock and franchise tax.

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

14 Section 1. Section 602(h) of the act of March 4, 1971  
15 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended  
16 December 23, 2003 (P.L.250, No.46), is amended to read:

17 Section 602. Imposition of Tax.--\* \* \*

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

|    | Taxable Year         | Regular Rate | Surtax     | Total Rate  |
|----|----------------------|--------------|------------|-------------|
| 1  | January 1, 1971, to  |              |            |             |
| 2  | December 31, 1986    | 10 mills     | 0          | 10 mills    |
| 3  | January 1, 1987, to  |              |            |             |
| 4  | December 31, 1987    | 9 mills      | 0          | 9 mills     |
| 5  | January 1, 1988, to  |              |            |             |
| 6  | December 31, 1990    | 9.5 mills    | 0          | 9.5 mills   |
| 7  | January 1, 1991, to  |              |            |             |
| 8  | December 31, 1991    | 11 mills     | 2 mills    | 13 mills    |
| 9  | January 1, 1992, to  |              |            |             |
| 10 | December 31, 1997    | 11 mills     | 1.75 mills | 12.75 mills |
| 11 | January 1, 1998, to  |              |            |             |
| 12 | December 31, 1998    | 11 mills     | .99 mills  | 11.99 mills |
| 13 | January 1, 1999, to  |              |            |             |
| 14 | December 31, 1999    | 10.99 mills  | 0          | 10.99 mills |
| 15 | January 1, 2000, to  |              |            |             |
| 16 | December 31, 2000    | 8.99 mills   | 0          | 8.99 mills  |
| 17 | January 1, 2001, to  |              |            |             |
| 18 | December 31, 2001    | 7.49 mills   | 0          | 7.49 mills  |
| 19 | January 1, 2002, to  |              |            |             |
| 20 | December 31, 2003    | 7.24 mills   | 0          | 7.24 mills  |
| 21 | January 1, 2004, to  |              |            |             |
| 22 | December 31, 2004    | 6.99 mills   | 0          | 6.99 mills  |
| 23 | [January 1, 2005, to |              |            |             |
| 24 | December 31, 2005    | 5.99 mills   | 0          | 5.99 mills  |
| 25 | January 1, 2006, to  |              |            |             |
| 26 | December 31, 2006    | 4.99 mills   | 0          | 4.99 mills  |
| 27 | January 1, 2007, to  |              |            |             |
| 28 | December 31, 2007    | 3.99 mills   | 0          | 3.99 mills  |
| 29 | January 1, 2008, to  |              |            |             |

|    |  |                   |          |                   |
|----|--|-------------------|----------|-------------------|
| 1  | December 31, 2008                                  | 2.99 mills        | 0        | 2.99 mills        |
| 2  | January 1, 2009, to                                |                   |          |                   |
| 3  | December 31, 2009                                  | 1.99 mills        | 0        | 1.99 mills        |
| 4  | January 1, 2010, to                                |                   |          |                   |
| 5  | December 31, 2010                                  | .99 mills         | 0        | .99 mills]        |
| 6  | <u>January 1, 2005, to</u>                         |                   |          |                   |
| 7  | <u>December 31, 2005</u>                           | <u>5.50 mills</u> | <u>0</u> | <u>5.50 mills</u> |
| 8  | <u>January 1, 2006, to</u>                         |                   |          |                   |
| 9  | <u>December 31, 2006</u>                           | <u>4.00 mills</u> | <u>0</u> | <u>4.00 mills</u> |
| 10 | <u>January 1, 2007, to</u>                         |                   |          |                   |
| 11 | <u>December 31, 2007</u>                           | <u>3.00 mills</u> | <u>0</u> | <u>3.00 mills</u> |
| 12 | <u>January 1, 2008, to</u>                         |                   |          |                   |
| 13 | <u>December 31, 2008</u>                           | <u>2.00 mills</u> | <u>0</u> | <u>2.00 mills</u> |
| 14 | <u>January 1, 2009, to</u>                         |                   |          |                   |
| 15 | <u>December 31, 2009</u>                           | <u>1.00 mills</u> | <u>0</u> | <u>1.00 mills</u> |
| 16 | * * *  |                   |          |                   |
| 17 | Section 2. This act shall take effect immediately. |                   |          |                   |