

THE GENERAL ASSEMBLY OF PENNSYLVANIA

# HOUSE BILL

No. 532 Session of  
2007

INTRODUCED BY ROHRER, BARRAR, BASTIAN, BENNINGHOFF, CALTAGIRONE,  
CREIGHTON, DALEY, DENLINGER, GEIST, GOODMAN, GRELL, GRUCELA,  
HARHART, HARRIS, HENNESSEY, HESS, JAMES, M. O'BRIEN, RAPP,  
STEIL, STERN AND SWANGER, MARCH 6, 2007

REFERRED TO COMMITTEE ON FINANCE, MARCH 6, 2007

AN ACT

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

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

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

17 Section 304.1. Special Tax Provisions for Minors.--(a) The  
18 General Assembly:

19 (1) In recognition of the powers contained in section  
20 2(b)(ii) of Article VIII of the Constitution of the Commonwealth  
21 of Pennsylvania which provides therein for the establishing as a

class or classes of subjects of taxation the property or  
privileges of persons who, because of poverty, are determined to  
be in need of special tax provisions hereby declares as its  
legislative intent and purpose to implement such power under  
such constitutional provision by establishing special tax  
provisions as provided in subsection (b).

(2) Having determined that there are persons within this  
Commonwealth whose incomes are such that imposition of a tax  
thereon would deprive them and their dependents of the bare  
necessities of life and having further determined that poverty  
is a relative concept inextricably joined with actual income and  
the number of people dependent upon such income deems it to be a  
matter of public policy to provide special tax provisions for  
that class of persons designated under subsection (b) to relieve  
their economic burden.

(b) Notwithstanding any other provision of law to the  
contrary, the wages of an employe who is paid wages under the  
rate set forth under section 4 of the act of January 17, 1968  
(P.L.11, No.5), known as "The Minimum Wage Act of 1968," and is  
under 18 years of age shall not be subject to the tax imposed  
under this article, the emergency and municipal services tax  
imposed under the act of December 31, 1965 (P.L.1257, No.511),  
known as "The Local Tax Enabling Act," or any tax on the earned  
income or occupation of such employe imposed by a municipality  
under any other act.

(c) (1) A person to whom subsection (b) applies may claim  
the special tax provisions of this section upon the expiration  
of the person's taxable year by filing a certification of no tax  
liability in lieu of filing a tax return, provided all of the  
following apply:

1     (i) The person is paid wages under section 4 of "The Minimum  
2     Wage Act of 1968."

3     (ii) The person was paid the wages when the person was under  
4     18 years of age.

5     (iii) The person incurred no personal income tax liability  
6     for the preceding tax year.

7     (iv) The person was not subject to tax withholding pursuant  
8     to this article in the taxable year.

9     (v) No tax was withheld on account of the person pursuant to  
10    this article in the taxable year.

11    (vi) The person was not subject to the estimated tax payment  
12    requirements under this article in the taxable year.

13    (vii) The person made no estimated tax payments in the  
14    taxable year.

15    (viii) The person is not entitled to a tax refund for the  
16    taxable year.

17    (2) The furnishing of false information on the certification  
18    by a person shall constitute a violation of 18 Pa.C.S. § 4904  
19    (relating to unsworn falsification to authorities). Any person  
20    who wilfully aids or assists in, or procures, counsels or  
21    advises the preparation or presentation of a certification which  
22    is fraudulent or is false as to any material matter, shall be  
23    guilty of a misdemeanor and shall, upon conviction, be sentenced  
24    to pay a fine not exceeding five thousand dollars (\$5,000) or to  
25    undergo imprisonment not exceeding two years, or both.

26    (3) The department shall establish the form of the  
27    certification that may be filed in lieu of a tax return pursuant  
28    to this subsection. The department shall develop such rules,  
29    regulations and procedures as it deems necessary to fairly and  
30    reasonably implement the provisions of this subsection in a

1 simple and expeditious fashion. In establishing and developing  
2 such certification form and rules, regulations and procedures,  
3 the department shall not require the submission of any  
4 additional form, return, report or schedule as a prerequisite or  
5 condition to utilization of this expedited procedure for  
6 claiming special tax forgiveness.

7 (4) Nothing in this subsection shall be construed to lessen  
8 or curtail the power of the department to conduct examinations  
9 pursuant to section 355 whenever such examinations are deemed  
10 warranted in appropriate circumstances to ensure compliance with  
11 this article.

12 Section 2. This act shall take effect in 60 days.