

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 757 Session of 2009

INTRODUCED BY BAKER, BARRAR, BOBACK, BOYD, CLYMER, FAIRCHILD, GEIST, GIBBONS, GINGRICH, HENNESSEY, HESS, HORNAMAN, KAUFFMAN, M. KELLER, KORTZ, MENSCH, METZGAR, MILLARD, MILNE, MOUL, MURT, OBERLANDER, O'NEILL, PETRARCA, PHILLIPS, QUINN, RAPP, READSHAW, ROAE, ROHRER, SWANGER, J. TAYLOR AND WATSON, MARCH 6, 2009

REFERRED TO COMMITTEE ON FINANCE, MARCH 6, 2009

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 corporate  
11 net income tax.

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

14 Section 1. Section 402 of the act of March 4, 1971 (P.L.6,  
15 No.2), known as the Tax Reform Code of 1971, amended June 29,  
16 2002 (P.L.559, No.89), is amended to read:

17 Section 402. Imposition of Tax.--(a) A corporation shall be  
18 subject to and shall pay an excise tax for exercising, whether  
19 in its own name or through any person, association, business  
20 trust, corporation, joint venture, limited liability company,

1 limited partnership, partnership or other entity, any of the  
2 following privileges:

3 (1) Doing business in this Commonwealth.

4 (2) Carrying on activities in this Commonwealth, including  
5 solicitation which is not protected activity under the act of  
6 September 14, 1959 (Public Law 86-272, 15 U.S.C. § 381 et seq.).

7 (3) Having capital or property employed or used in this  
8 Commonwealth.

9 (4) Owning property in this Commonwealth.

10 (b) The annual rate of tax on corporate net income imposed  
11 by subsection (a) for taxable years beginning for the calendar  
12 year or fiscal year on or after the dates set forth shall be as  
13 follows:

| Taxable Year  | Tax Rate     |
|---|--------------|
| January 1, 1995, and<br>each taxable year<br>[thereafter  | 9.99%]       |
| <u>through December 31,</u><br><u>2008</u>  | <u>9.99%</u> |
| <u>January 1, 2009, and</u><br><u>each taxable year</u><br><u>through</u><br><u>December 31, 2009</u> | <u>6.99%</u> |
| <u>January 1, 2010, and</u><br><u>each taxable year</u><br><u>thereafter</u>                          | <u>6.25%</u> |

27 (c) An entity subject to taxation under Article VII, VIII,  
28 IX or XV shall not be subject to the tax imposed by this  
29 article.

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