

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 626 Session of 2011

INTRODUCED BY BEAR, AUMENT, BOYD, BROOKS, COHEN, CUTLER, DeLUCA, DENLINGER, FLECK, GABLER, GEIST, GILLEN, GINGRICH, GROVE, HARRIS, HESS, HICKERNELL, KAUFFMAN, LONGIETTI, MAJOR, MILLER, MUNDY, MURT, PICKETT, PYLE, RAPP, REICHLEY, SCHRODER, STERN, SWANGER, VULAKOVICH AND YOUNGBLOOD, FEBRUARY 14, 2011

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 14, 2011

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 the procedure for claiming
11 special tax provisions and for proof of eligibility.

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

14 Section 1. Sections 336.1 and 336.2 of the act of March 4,
15 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, added
16 March 13, 1974 (P.L.179, No.32), are amended to read:

17 Section 336.1. Procedure for Claiming Special Tax
18 Provisions.--[The] (a) With the exception of the expedited
19 claim procedure as provided for under subsection (b), the
20 following procedures shall be employed for claiming the special
21 tax provisions:

1 (1) The claimant may claim the special tax provisions upon
2 the expiration of his taxable year in connection with his filing
3 of an annual return under the provisions of this article.
4 Notwithstanding any other provisions of this article to the
5 contrary, the department shall have the power to promulgate such
6 rules or regulations as it may deem necessary to fairly and
7 reasonably implement the provisions of this section.

8 (2) If the claimant receives income as defined in this
9 article, other than compensation from an employer, he may claim
10 the special tax provisions in connection with his filing of
11 estimated tax returns.

12 (b) (1) The claimant may claim the special tax provisions
13 upon the expiration of the claimant's taxable year by filing a
14 certification of no tax liability in lieu of filing a tax
15 return, provided all of the following apply:

16 (i) The poverty income of the claimant, or the joint poverty
17 income of the claimant and claimant's spouse, for the taxable
18 year, does not exceed the poverty income limitations prescribed
19 by section 304(d)(1).

20 (ii) The claimant is entitled to one hundred per cent tax
21 forgiveness for the taxable year under section 304.

22 (iii) The claimant was not subject to tax withholding
23 pursuant to this article in the taxable year.

24 (iv) No tax was withheld on account of the claimant pursuant
25 to this article in the taxable year.

26 (v) The claimant was not subject to the estimated tax
27 payment requirements under this article in the taxable year.

28 (vi) The claimant made no estimated tax payments in the
29 taxable year.

30 (vii) The claimant is not entitled to a tax refund for the

1 taxable year.

2 (viii) The filing status of the claimant has not changed
3 from the preceding tax year.

4 (ix) The claimant incurred no personal income tax liability
5 and was entitled to one hundred per cent tax forgiveness for the
6 preceding tax year under section 304 and claimed such tax
7 forgiveness by filing the appropriate tax schedule for the tax
8 year.

9 (2) The furnishing of false information on the certification
10 by the claimant shall constitute a violation of 18 Pa.C.S. §
11 4904 (relating to unsworn falsification to authorities). Any
12 person who wilfully aids or assists in, or procures, counsels or
13 advises the preparation or presentation of a certification which
14 is fraudulent or is false as to any material matter commits a
15 misdemeanor and shall, upon conviction, be sentenced to pay a
16 fine not exceeding five thousand dollars (\$5,000) or to undergo
17 imprisonment not exceeding two years, or both.

18 (3) The department shall establish the form of the
19 certification that may be filed in lieu of a tax return under
20 this subsection. The certification form shall require that the
21 claimant indicate whether the certification is for an individual
22 or a joint return and whether there are any other dependents and
23 if so the number of dependents. The department shall develop
24 rules, regulations and procedures as it deems necessary to
25 fairly and reasonably implement the provisions of this
26 subsection in a simple and expeditious fashion. In establishing
27 and developing the certification form and rules, regulations and
28 procedures, the department shall not require the submission of
29 any additional form, return, report or schedule as a
30 prerequisite or condition to utilization of this expedited

1 procedure for claiming special tax forgiveness.

2 (4) Nothing in this subsection shall be construed to lessen
3 or curtail the power of the department to conduct examinations
4 under section 355 whenever such examinations are deemed
5 warranted in appropriate circumstances to ensure compliance with
6 this article.

7 Section 336.2. Proof of Eligibility.--The Department of
8 Revenue shall establish such rules, regulations, schedules or
9 other procedures as may be necessary for the submission and
10 establishment of proof of the eligibility of persons for the
11 special tax provisions or other matters relating to the
12 provisions of this act. [Such] Except as limited by the
13 provisions of section 336.1(b)(3), the procedures may include,
14 but not be limited to, the submission of requisite information
15 and certifications upon forms provided by the department,
16 including such special tax return or report forms as may be
17 necessary.

18 Section 2. This act shall apply to tax years commencing on
19 or after January 1, 2011.

20 Section 3. This act shall take effect immediately.