

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1165 Session of 2015

INTRODUCED BY JAMES, SAINATO, MILLARD, DIAMOND, KINSEY, FEE, CORBIN, CUTLER, ROSS, MURT, GABLER, QUIGLEY, EVANKOVICH, DUNBAR, GIBBONS, LONGIETTI, A. HARRIS, MILNE, TRUITT, PEIFER, BLOOM, RAPP AND ENGLISH, MAY 11, 2015

REFERRED TO COMMITTEE ON FINANCE, MAY 11, 2015

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," in personal income tax, providing for an  
11 exception for the payment of a withholding tax by estates and  
12 trusts and for determination of beneficiary's address and  
13 residency.

14 The General Assembly of the Commonwealth of Pennsylvania  
15 hereby enacts as follows:

16 Section 1. Section 324 of the act of March 4, 1971 (P.L.6,  
17 No.2), known as the Tax Reform Code of 1971, is amended by  
18 adding a subsection to read:

19 Section 324. General Rule.--\* \* \*

20 (c) An estate or trust shall not be required to pay a  
21 withholding tax for any taxable year on the amount of income  
22 from sources within this Commonwealth allocable to each

nonresident beneficiary entitled to receive one thousand dollars  
(\$1,000) or less of such income for the taxable year. The  
department may increase the amount of the income allocable to  
each beneficiary not subject to the withholding tax to a greater  
amount as determined by the department in the interests of  
promoting the efficiency of tax reporting and collection  
requirements or avoiding the imposition of costs on estates and  
trusts not reasonably justified by the revenue generated by the  
requirements. A determination to increase the amount of income  
that may be allowable to each beneficiary not subject to the  
withholding tax shall not constitute an administrative  
regulation, and notice of the increase may be provided by  
publication in the Pennsylvania Bulletin and by notice provided  
in forms, instructions and statements of policy issued by the  
department.

Section 2. Section 335(g) of the act is amended by adding a paragraph to read:

Section 335. Requirements Concerning Returns, Notices,  
Records and Statements.--\* \* \*

(g) \* \* \*

(3) An estate or trust may determine the current address of  
a beneficiary and determine that a beneficiary is not a resident  
of this Commonwealth based upon notice provided to the estate or  
trust by or on behalf of the beneficiary, and may continue to  
rely on the notice until provided subsequent notice that the  
beneficiary has a new address or has become a resident of this  
Commonwealth.

Section 3. The addition of sections 324(c) and 335(g) (3) of the act shall apply retroactively to July 9, 2013.

Section 4. This act shall take effect immediately.