

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

**HOUSE BILL****No. 1198** Session of  
2015

---

INTRODUCED BY DUNBAR, BARRAR, GROVE, LAWRENCE, MILLARD, MURT,  
MUSTIO, PEIFER, PETRI, REESE AND GABLER, MAY 13, 2015

---

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES,  
AS AMENDED, JUNE 9, 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 corporate net income tax, providing for  
11 amended reports.

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 406.1. Amended Reports.--(a) Except in instances  
18 where either section 406 or subsection (b) applies, a taxpayer  
19 may file an amended report on a form prescribed by the  
20 department and under oath or affirmation to bring to the  
21 attention of the department a correction to the original report  
22 and provide additional information that the taxpayer requests

1 the department to consider, within three years after the filing  
2 of the original report, including extensions.

3 (b) (1) except in instances where a taxpayer would be  
4 entitled to an adjustment of its tax liability, a taxpayer may  
5 not file an amended report in lieu of a timely appeal of an  
6 assessment.

7 (2) A taxpayer may file an amended report prior to the  
8 actual receipt of an assessment or, if a petition raising other  
9 issues is pending, during the administrative or judicial appeal.

10 (3) The department may issue proposed regulations within six  
11 months of the effective date of this section that provide  
12 guidance as to when a taxpayer may file an amended report in  
13 lieu of a timely appeal of an assessment.

14 (c) (1) In order for the department to consider an amended  
15 report, a taxpayer must consent in writing, on a form prescribed  
16 by the department, to the extension of the assessment period for  
17 the tax year to one year from the date of the filing of the  
18 amended report or three years from the filing of the original  
19 report, whichever period last expires.

20 (2) At any time before the expiration of the applicable  
21 statute of limitations, a taxpayer may consent to extend the  
22 period for the department to consider an amended report.

23 (3) A taxpayer shall maintain records until the end of the  
24 extended assessment period.

25 (d) An amended report filed with the department must contain  
26 the following:

27 (1) An agreement to the extension of the assessment period  
28 as described in subsection ~~(b)~~ (C).

29 (2) The calculation of the amended tax liability.

30 (3) Revised Pennsylvania supporting schedules, if

<--

1 applicable.

2 (4) An explanation of the changes being made and the reason  
3 for the changes.

4 (5) Other information that the department may request to  
5 support the calculation of the amended tax liability.

6 (e) (1) The department shall review an amended report filed  
7 prior to the issuance of an assessment.

8 (2) If the department subsequently issues an assessment, any  
9 appeal of the taxpayer must be filed in accordance with section  
10 2703 and include any issues raised in the amended report with  
11 which the taxpayer disagrees with the action of the department.

12 (3) If the department does not issue an assessment and the  
13 taxpayer disagrees with the department's action on the amended  
14 report, the taxpayer may file an appeal pursuant to subsection  
15 (h).

16 (f) An amended report involving a tax year under appeal  
17 shall be forwarded to the appropriate administrative appeal  
18 board or to the Office of Attorney General to be included in the  
19 appeal.

20 (g) (1) Unless the taxpayer has requested or consented to  
21 an extension, the department shall review an amended report and  
22 advise the taxpayer in writing within one year of the filing  
23 date of the amended report whether the department accepts the  
24 amended report. The notice shall provide an explanation of the  
25 department's action.

26 (2) If the department fails to provide timely notice, the  
27 amended report shall be deemed accepted as filed and the  
28 department shall adjust its records accordingly.

29 (h) (1) Except where:

30 (i) an amended report has been incorporated into an

1 administrative or judicial proceeding;

2 (ii) an assessment is issued after consideration of an  
3 amended report;

4 (iii) an amended report is filed in lieu of a petition for  
5 reassessment; or

6 (iv) an amended report requesting a refund or credit was  
7 filed more than three years from the date the applicable tax was  
8 paid or deemed paid.

9 A taxpayer who disagrees with the action of the department may  
10 file an appeal with the board of appeals within ninety days of  
11 the mailing date of the written notice required in subsection  
12 (g).

13 (2) A taxpayer may not appeal the department's action on an  
14 amended report:

15 (i) filed in lieu of a petition for reassessment; or

16 (ii) requesting a refund or credit filed more than three  
17 years from the date the applicable tax was paid or deemed paid.

18 (3) If a taxpayer disagrees with the action of the  
19 department, in the instance where:

20 (i) an amended report was filed in lieu of a petition for  
21 reassessment; or

22 (ii) the taxpayer had the right to pay the assessed tax,  
23 interest and penalty and file a petition for refund or credit  
24 instead of an amended report.

25 The taxpayer may pay the tax, interest and penalty due and file  
26 a petition for refund in accordance with section 3003.1.

27 (i) This section applies to all taxes that incorporate by  
28 reference Part III of this article.

29 Section 2. The addition of section 406.1 of the act shall  
30 apply to amended reports filed on or after the effective date of

1 this section.

2 Section 3. This act shall take effect immediately.