

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

**SENATE BILL**No. **132** Session of  
2015

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INTRODUCED BY GORDNER, BREWSTER, SCHWANK, FOLMER, TARTAGLIONE,  
HUGHES AND RAFFERTY, JANUARY 14, 2015

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REFERRED TO FINANCE, JANUARY 14, 2015

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## AN ACT

1 Amending the act of December 31, 1965 (P.L.1257, No.511),  
2 entitled "An act empowering cities of the second class,  
3 cities of the second class A, cities of the third class,  
4 boroughs, towns, townships of the first class, townships of  
5 the second class, school districts of the second class,  
6 school districts of the third class and school districts of  
7 the fourth class including independent school districts, to  
8 levy, assess, collect or to provide for the levying,  
9 assessment and collection of certain taxes subject to maximum  
10 limitations for general revenue purposes; authorizing the  
11 establishment of bureaus and the appointment and compensation  
12 of officers, agencies and employes to assess and collect such  
13 taxes; providing for joint collection of certain taxes,  
14 prescribing certain definitions and other provisions for  
15 taxes levied and assessed upon earned income, providing for  
16 annual audits and for collection of delinquent taxes, and  
17 permitting and requiring penalties to be imposed and  
18 enforced, including penalties for disclosure of confidential  
19 information, providing an appeal from the ordinance or  
20 resolution levying such taxes to the court of quarter  
21 sessions and to the Supreme Court and Superior Court," in  
22 local taxes, further providing for limitation on assessment;  
23 and, in consolidated collection of local income taxes,  
24 further providing for powers and duties of tax officer.

25 The General Assembly of the Commonwealth of Pennsylvania  
26 hereby enacts as follows:

27 Section 1. Sections 319 and 509(h) of the act of December  
28 31, 1965 (P.L.1257, No.511), known as The Local Tax Enabling

1 Act, amended or added July 2, 2008 (P.L.197, No.32), are amended  
2 to read:

3 Section 319. Limitation on Assessment.--[No] (a) Except as  
4 otherwise provided in subsection (b), no assessment may be made  
5 of any tax imposed under this chapter more than five years after  
6 the date on which such tax should have been paid [except where a  
7 fraudulent return or no return has been filed].

8 (b) Where a fraudulent return or no return has been filed,  
9 no assessment may be made of any tax imposed under this chapter  
10 more than ten years after the date on which such tax should have  
11 been paid.

12 Section 509. Powers and duties of tax officer.

13 \* \* \*

14 (h) Actions for collection of income taxes.--The tax officer  
15 may file an action in the name of a political subdivision within  
16 the tax collection district for the recovery of income taxes due  
17 to the political subdivision and unpaid. Nothing in this  
18 subsection shall affect the authority of a political subdivision  
19 to file an action in its own name for collection of income taxes  
20 under this chapter. This subsection shall not be construed to  
21 limit a tax officer, a tax collection district or political  
22 subdivision from recovering delinquent income taxes by any other  
23 means provided by this act. Actions for collection of income  
24 taxes shall be subject to the following:

25 (1) Except as set forth in paragraph (2) or (4), an  
26 action brought to recover income taxes must be commenced  
27 within three years of the later of the date:

- 28 (i) the income taxes are due;  
29 (ii) the declaration or return has been filed; or  
30 (iii) of a redetermination of compensation or net

1 profits by the Department of Revenue.

2 (2) If there is substantial understatement of income tax  
3 liability of 25% or more and there is no fraud, an action  
4 must be commenced within six years.

5 (3) Except as set forth in paragraph (4) (ii), (iii) or  
6 (iv), an action by a tax officer for recovery of an erroneous  
7 refund must be commenced as follows:

8 (i) Except as set forth in subparagraph (ii), within  
9 two years after making the refund.

10 (ii) If it appears that any part of the refund was  
11 induced by fraud or misrepresentation of material fact,  
12 within five years after making the refund.

13 (4) [There is no limitation of action] An action by a  
14 tax officer must be commenced within ten years of the date on  
15 which the tax should have been paid if any of the following  
16 apply:

17 (i) A taxpayer fails to file a declaration or return  
18 required under this act.

19 (ii) An examination of a declaration or return or of  
20 other evidence in the possession of the tax officer  
21 relating to the declaration or return reveals a  
22 fraudulent evasion of income taxes.

23 (iii) An employer has deducted income taxes under  
24 section 512 and has failed to pay the amount deducted to  
25 the tax officer.

26 (iv) An employer has intentionally failed to make  
27 deductions required by this act.

28 \* \* \*

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