

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL****No. 1098** Session of  
2017

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INTRODUCED BY PEIFER, DUNBAR, FARRY, GODSHALL, HELM, IRVIN,  
LAWRENCE, MILLARD, PICKETT AND RYAN, APRIL 7, 2017

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AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES,  
AS AMENDED, JANUARY 23, 2018

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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 delegation of taxing  
23 powers and restrictions thereon; and, in consolidated  
24 collection of local income taxes, further providing for  
25 declaration and payment of income taxes.

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

28 Section 1. Section 301.1(a) of the act of December 31, 1965  
29 (P.L.1257, No.511), known as The Local Tax Enabling Act, is

1 amended and the section is amended by adding a subsection to  
2 read:

3 Section 301.1. Delegation of Taxing Powers and Restrictions  
4 Thereon.--(a) [The] Except as provided under subsection (a.2),  
5 the duly constituted authorities of the following political  
6 subdivisions, cities of the second class, cities of the second  
7 class A, cities of the third class, boroughs, towns, townships  
8 of the first class, townships of the second class, school  
9 districts of the second class, school districts of the third  
10 class, and school districts of the fourth class, in all cases  
11 including independent school districts may, in their discretion,  
12 by ordinance or resolution, for general revenue purposes, levy,  
13 assess and collect or provide for the levying, assessment and  
14 collection of such taxes as they shall determine on persons,  
15 transactions, occupations, privileges, subjects and personal  
16 property within the limits of such political subdivisions, and  
17 upon the transfer of real property, or of any interest in real  
18 property, situate within the political subdivision levying and  
19 assessing the tax, regardless of where the instruments making  
20 the transfers are made, executed or delivered or where the  
21 actual settlements on such transfer take place. The taxing  
22 authority may provide that the transferee shall remain liable  
23 for any unpaid realty transfer taxes imposed by virtue of this  
24 chapter.

25 \* \* \*

26 (a.2) A taxing authority is prohibited from levying,  
27 assessing and collecting or providing for the levy, assessment  
28 and collection of local income taxes on persons within its local  
29 jurisdiction if the person meets the Federal and State income  
30 tax exemption requirements and was not required to file a

1 Federal or State income tax return in the preceding year.  
2 Persons residing in a local taxing authority that meet Federal,  
3 State and local income tax filing exemptions shall not be  
4 required to file a local tax return indicating the person earned  
5 zero income or does not owe any local tax to the local taxing  
6 jurisdiction.

7 \* \* \*

8 Section 2. Section 502(c)(2) of the act, amended November 4,  
9 2016 (P.L.1154, No.150), is amended to read:

10 Section 502. Declaration and payment of income taxes.

11 \* \* \*

12 (c) Declaration and payment.--Except as provided in  
13 subsections (a)(2) and (d), taxpayers shall declare and pay  
14 income taxes as follows:

15 \* \* \*

16 (2) (i) Every taxpayer making net profits RESULTING IN <--  
17 A TAX LIABILITY OF \$200 OR MORE shall, by April 15 of the  
18 current year, make and file with the resident tax officer  
19 a declaration of the taxpayer's estimated net profits  
20 during the period beginning January 1 and ending December  
21 31 of the current year, and shall pay to the resident tax  
22 officer in four equal quarterly installments the tax due  
23 on the estimated net profits. The first installment shall  
24 be paid at the time of filing the declaration, and the  
25 other installments shall be paid on or before July 15 of  
26 the current year, October 15 of the current year and  
27 January 15 of the succeeding year, respectively. This <--  
28 subparagraph shall not apply to net profits equal to or  
29 less than \$200. For declarations of taxes on estimated  
30 net profits equal to or less than \$200, FOR DECLARATIONS <--

1 OF ESTIMATED TAXES ON NET PROFITS RESULTING IN A TAX  
2 LIABILITY THAT IS LESS THAN \$200, a taxpayer may remit  
3 one lump sum payment to the taxing officer or taxing  
4 authority without penalty and shall not be required to  
5 file quarterly estimates that state zero taxes on <--  
6 estimated net profits.

7 (ii) Any taxpayer who first anticipates any net  
8 profit equal to or more than \$200 RESULTING IN A TAX <--  
9 LIABILITY OF \$200 OR MORE after April 15 of the current  
10 year shall make and file the declaration required on or  
11 before July 15 of the current year, October 15 of the  
12 current year or January 15 of the succeeding year,  
13 whichever date next follows the date on which the  
14 taxpayer first anticipates such net profit, and shall pay  
15 to the resident tax officer in equal installments the tax  
16 due on or before the quarterly payment dates that remain  
17 after the filing of the declaration.

18 (iii) Every taxpayer shall, on or before April 15 of  
19 the succeeding year, make and file with the resident tax  
20 officer a final return showing the amount of net profits  
21 equal to or more than \$200 RESULTING IN A TAX LIABILITY <--  
22 OF \$200 OR MORE that was earned or received based on the  
23 method of accounting used by the taxpayer during the  
24 period beginning January 1 of the current year, and  
25 ending December 31 of the current year, the total amount  
26 of tax due on the net profits and the total amount of tax  
27 paid. At the time of filing the final return, the  
28 taxpayer shall pay to the resident tax officer the  
29 balance of tax due or shall make demand for refund or  
30 credit in the case of overpayment. Any taxpayer may, in

1        lieu of paying the fourth quarterly installment of the  
2        estimated tax, elect to make and file with the resident  
3        tax officer on or before January 31 of the succeeding  
4        year, the final return.

5            (iv) The department, in consultation with the  
6        Department of Revenue, shall provide by regulation for  
7        the filing of adjusted declarations of estimated net  
8        profits and for the payments of the estimated tax in  
9        cases where a taxpayer who has filed the declaration  
10       required under this subsection anticipates additional net  
11       profits not previously declared or has overestimated  
12       anticipated net profits.

13           (v) Every taxpayer who discontinues business prior  
14       to December 31 of the current year, shall, within 30 days  
15       after the discontinuance of business, file a final return  
16       as required under this paragraph and pay the tax due.

17       \* \* \*

18       Section 3. This act shall take effect in 60 days.