

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 975 Session of 2019

INTRODUCED BY PHILLIPS-HILL, BARTOLOTTA, K. WARD, MASTRIANO,
BREWSTER, PITTMAN, J. WARD AND STEFANO, DECEMBER 3, 2019

REFERRED TO FINANCE, DECEMBER 3, 2019

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 sales and use tax, further providing for time
11 for filing returns.

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

14 Section 1. Section 217 of the act of March 4, 1971 (P.L.6,
15 No.2), known as the Tax Reform Code of 1971, is amended to read:

16 Section 217. Time for Filing Returns.--(a) Quarterly and
17 Monthly Returns:

18 (1) For the year in which this article becomes effective and
19 in each year thereafter until January 1, 2021, a return shall be
20 filed quarterly by every licensee on or before the twentieth day
21 of April, July, October and January for the three months ending
22 the last day of March, June, September and December.

1 (1.1) For the year beginning after December 30, 2020, and in
2 each year thereafter, a return shall be filed annually by every
3 licensee whose actual tax liability for the fourth calendar
4 quarter of the preceding year is less than or equal to one
5 thousand two hundred dollars (\$1,200).

6 (2) For the year in which this article becomes effective,
7 and in each year thereafter until January 1, 2021, a return
8 shall be filed monthly with respect to each month by every
9 licensee whose actual tax liability for the third calendar
10 quarter of the preceding year equals or exceeds six hundred
11 dollars (\$600) and is less than twenty-five thousand dollars
12 (\$25,000). Such returns shall be filed on or before the
13 twentieth day of the next succeeding month with respect to which
14 the return is made. Any licensee required to file monthly
15 returns hereunder shall be relieved from filing quarterly
16 returns.

17 (2.1) For the year beginning after December 30, 2020, and in
18 each year thereafter, a return shall be filed quarterly by every
19 licensee whose actual tax liability for the fourth calendar
20 quarter of the preceding year exceeds one thousand two hundred
21 dollars (\$1,200) and is less than twenty-five thousand dollars
22 (\$25,000). Such returns shall be filed on or before the
23 twentieth day of the next succeeding month with respect to which
24 the return is made. Any licensee required to file monthly
25 returns hereunder shall be relieved from filing quarterly
26 returns.

27 (3) With respect to every licensee whose actual tax
28 liability for the third calendar quarter of the preceding year
29 equals or exceeds twenty-five thousand dollars (\$25,000) and is
30 less than one hundred thousand dollars (\$100,000), the licensee

1 shall, on or before the twentieth day of each month, file a
2 single return consisting of all of the following:

3 (i) Either of the following:

4 (A) An amount equal to fifty per centum of the licensee's
5 actual tax liability for the same month in the preceding
6 calendar year if the licensee was a monthly filer or, if the
7 licensee was a quarterly [or], semi-annual or annual filer,
8 fifty per centum of the licensee's average actual tax liability
9 for that tax period in the preceding calendar year. The average
10 actual tax liability shall be the actual tax liability for the
11 tax period divided by the number of months in that tax period.
12 For licensees that were not in business during the same month in
13 the preceding calendar year or were in business for only a
14 portion of that month, fifty per centum of the average actual
15 tax liability for each tax period the licensee has been in
16 business. If the licensee is filing a tax liability for the
17 first time with no preceding tax periods, the amount shall be
18 zero.

19 (B) An amount equal to or greater than fifty per centum of
20 the licensee's actual tax liability for the same month.

21 (ii) An amount equal to the taxes due for the preceding
22 month, less any amounts paid in the preceding month as required
23 by subclause (i).

24 (4) With respect to each month by every licensee whose
25 actual tax liability for the third calendar quarter of the
26 preceding year equals or exceeds one hundred thousand dollars
27 (\$100,000), the licensee shall, on or before the twentieth day
28 of each month, file a single return consisting of the amounts
29 under clause (3)(i)(A) and (ii).

30 (5) The amount due under clause (3)(i) or (4) shall be due

1 the same day as the remainder of the preceding month's tax.

2 (6) The department shall determine whether the amounts
3 reported under clause (3) or (4) shall be remitted as one
4 combined payment or as two separate payments.

5 (7) The department may require the filing of the returns and
6 the payments for these types of filers by electronic means
7 approved by the department.

8 (8) Any licensee filing returns under clause (3) or (4)
9 shall be relieved of filing quarterly returns.

10 (9) If a licensee required to remit payments under clause
11 (3) or (4) fails to make a timely payment or makes a payment
12 which is less than the required amount, the department may, in
13 addition to any applicable penalties, impose an additional
14 penalty equal to five per centum of the amount due under clause
15 (3) or (4) which was not timely paid. The penalty under this
16 clause shall be determined when the tax return is filed for the
17 tax period.

18 (b) Annual Returns. For the calendar year 1971, and for each
19 year thereafter until January 1, 2021, no annual return shall be
20 filed, except as may be required by rules and regulations of the
21 department promulgated and published at least sixty days prior
22 to the end of the year with respect to which the returns are
23 made. Where such annual returns are required licensees shall not
24 be required to file such returns prior to the twentieth day of
25 the year succeeding the year with respect to which the returns
26 are made.

27 (c) Other Returns. Any person, other than a licensee, liable
28 to pay to the department any tax under this article, shall file
29 a return on or before the twentieth day of the month succeeding
30 the month in which such person becomes liable for the tax.

1 (d) Small Taxpayers. The department, by regulation, may
2 waive the requirement for the filing of quarterly return in the
3 case of any licensee whose individual tax collections do not
4 exceed seventy-five dollars (\$75) per calendar quarter and may
5 provide for reporting on a less frequent basis in such cases.

6 Section 2. This act shall take effect immediately.