

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1098 Session of
2017

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

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, APRIL 7, 2017

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 shall, by
17 April 15 of the current year, make and file with the
18 resident tax officer a declaration of the taxpayer's
19 estimated net profits during the period beginning January
20 1 and ending December 31 of the current year, and shall
21 pay to the resident tax officer in four equal quarterly
22 installments the tax due on the estimated net profits.
23 The first installment shall be paid at the time of filing
24 the declaration, and the other installments shall be paid
25 on or before July 15 of the current year, October 15 of
26 the current year and January 15 of the succeeding year,
27 respectively. This subparagraph shall not apply to net
28 profits equal to or less than \$200. For declarations of
29 taxes on estimated net profits equal to or less than
30 \$200, a taxpayer may remit one lump sum payment to the

1 taxing officer or taxing authority without penalty and
2 shall not be required to file quarterly estimates that
3 state zero taxes on estimated net profits.

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

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

30 (iv) The department, in consultation with the

1 Department of Revenue, shall provide by regulation for
2 the filing of adjusted declarations of estimated net
3 profits and for the payments of the estimated tax in
4 cases where a taxpayer who has filed the declaration
5 required under this subsection anticipates additional net
6 profits not previously declared or has overestimated
7 anticipated net profits.

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

12 * * *

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