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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 396 Session of  
2023

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INTRODUCED BY PHILLIPS-HILL, STEFANO, BARTOLOTTA, BREWSTER,  
MASTRIANO, PENNYCUICK, ROBINSON AND AUMENT, FEBRUARY 21, 2023

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REFERRED TO FINANCE, FEBRUARY 21, 2023

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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(a) and (b) of the act of March 4,  
15 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, are  
16 amended to read:

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

19 (1) For the year in which this article becomes effective and  
20 in each year thereafter until January 1, 2024, a return shall be  
21 filed quarterly by every licensee on or before the twentieth day  
22 of April, July, October and January for the three months ending

1 the last day of March, June, September and December.

2 (1.1) For the year beginning after December 30, 2023, and in  
3 each year thereafter, a return shall be filed annually by every  
4 licensee whose actual tax liability for the fourth calendar  
5 quarter of the preceding year is less than or equal to one  
6 thousand two hundred dollars (\$1,200).

7 (2) For the year in which this article becomes effective,  
8 and in each year thereafter until January 1, 2024, a return  
9 shall be filed monthly with respect to each month by every  
10 licensee whose actual tax liability for the third calendar  
11 quarter of the preceding year equals or exceeds six hundred  
12 dollars (\$600) and is less than twenty-five thousand dollars  
13 (\$25,000). Such returns shall be filed on or before the  
14 twentieth day of the next succeeding month with respect to which  
15 the return is made. Any licensee required to file monthly  
16 returns hereunder shall be relieved from filing quarterly  
17 returns.

18 (2.1) For the year beginning after December 30, 2023, and in  
19 each year thereafter, a return shall be filed quarterly by every  
20 licensee whose actual tax liability for the fourth calendar  
21 quarter of the preceding year exceeds one thousand two hundred  
22 dollars (\$1,200) and is less than twenty-five thousand dollars  
23 (\$25,000). Such returns shall be filed on or before the  
24 twentieth day of the next succeeding month with respect to which  
25 the return is made. Any licensee required to file monthly  
26 returns hereunder shall be relieved from filing quarterly  
27 returns.

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

1 less than one hundred thousand dollars (\$100,000), the licensee  
2 shall, on or before the twentieth day of each month, file a  
3 single return consisting of all of the following:

4 (i) Either of the following:

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

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

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

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

1 (5) The amount due under clause (3)(i) or (4) shall be due  
2 the same day as the remainder of the preceding month's tax.

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

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

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

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

19 (b) Annual Returns. For the calendar year 1971, and for each  
20 year thereafter until January 1, 2024, no annual return shall be  
21 filed, except as may be required by rules and regulations of the  
22 department promulgated and published at least sixty days prior  
23 to the end of the year with respect to which the returns are  
24 made. Where such annual returns are required licensees shall not  
25 be required to file such returns prior to the twentieth day of  
26 the year succeeding the year with respect to which the returns  
27 are made.

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29 Section 2. This act shall take effect immediately.