

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 858 Session of 2023

INTRODUCED BY ROBINSON, COLEMAN, PENNYCUICK, BARTOLOTTA, ROTHMAN, PHILLIPS-HILL, FARRY AND GEBHARD, JULY 6, 2023

SENATOR HUTCHINSON, FINANCE, AS AMENDED, JUNE 5, 2024

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 mutual thrift institutions tax, further
11 providing for imposition, report and payment of tax and
12 exemptions.

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

15 Section 1. Section 1502(a) and (d)(2) of the act of March 4,
16 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, are
17 amended to read:

18 Section 1502. Imposition; Report and Payment of Tax;
19 Exemptions.--(a) Every institution shall annually, by April 15
20 of each year ~~beginning in the year 1984~~, make a report to the <--
21 Department of Revenue, setting forth the entire amount of
22 taxable net income received or accrued by said institution from
23 all sources during the preceding year, and such other

1 information as the department may require, and upon such taxable
 2 net income the said institution shall pay into the State
 3 Treasury, through the Department of Revenue, for the use of the
 4 Commonwealth, a State excise tax ~~at~~ at the rate of eleven and one- <--
 5 half per cent for the calendar years 1983, 1984, 1985 and 1986
 6 and fiscal years beginning in 1983, 1984, 1985 and 1986, at the
 7 rate of twenty per cent for calendar years 1987, 1988, 1989 and
 8 1990 and fiscal years beginning in 1987, 1988, 1989 and 1990 and
 9 at the rate of twelve and one-half per cent for calendar year
 10 1991 and fiscal years beginning in 1991 and at the rate of
 11 eleven and one-half per cent for calendar year 1992 and each
 12 calendar year thereafter and fiscal years beginning in 1992 and
 13 each fiscal year thereafter~~†~~ upon such annual taxable net <--
 14 income, for the privilege of doing business in the Commonwealth.
 15 The annual rate of the tax imposed by this section for taxable
 16 years beginning for the calendar year or fiscal year on or after
 17 the dates specified shall be as follows:

<u>Taxable Year</u>	<u>Tax Rate</u>
19 <u>January 1, 2023,</u>	
20 <u>through December</u>	
21 <u>31, 2023</u>	<u>8.99%</u>
22 <u>January 1, 2024,</u>	
23 <u>through December</u>	
24 <u>31, 2024</u>	<u>8.55%</u>
25 <u>January 1, 2025,</u>	
26 <u>through December</u>	
27 <u>31, 2025</u>	<u>7.95%</u>
28 <u>January 1, 2026,</u>	
29 <u>through December</u>	
30 <u>31, 2026</u>	<u>7.45%</u>

1	<u>January 1, 2027,</u>	
2	<u>through December</u>	
3	<u>31, 2027</u>	<u>6.95%</u>
4	<u>January 1, 2028,</u>	
5	<u>through December</u>	
6	<u>31, 2028</u>	<u>6.45%</u>
7	<u>January 1, 2029,</u>	
8	<u>through December</u>	
9	<u>31, 2029</u>	<u>5.95%</u>
10	<u>January 1, 2030,</u>	
11	<u>through December</u>	
12	<u>31, 2030</u>	<u>5.45%</u>
13	<u>January 1, 2031, and</u>	
14	<u>each taxable year</u>	
15	<u>thereafter</u>	<u>4.99%</u>

16 Every institution shall be required to make payment of estimated
17 tax pursuant to the provisions of sections 3003.2, 3003.3 and
18 3003.4 of Article XXX for taxable years beginning after December
19 31, 1991. For taxable years beginning before January 1, 1992,
20 every institution shall be required to make payment of tentative
21 tax pursuant to the provisions of Article XXX. The remaining
22 portion of the tax due shall be paid at the time the report
23 prescribed herein is required to be made.

24 * * *

25 (d) * * *

26 (2) **[The]** BEGINNING WITH CALENDAR YEAR 2024 AND FISCAL YEARS <--
27 BEGINNING IN 2024, THE net loss carryover deduction for a
28 taxable year shall be that amount which is the sum of any net
29 losses for the preceding **[three]** ten taxable years, beginning
30 with the earliest year, to the extent that any such net loss has

1 not previously been allowed as a deduction in a prior taxable
2 year, except that the deduction shall not exceed the amount of
3 the net income for the current year determined after
4 apportionment.

5 * * *

6 Section 2. This act shall take effect ~~immediately~~ IN 120 <--
7 DAYS.