



Senate Finance Committee

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BILL SUMMARY

Legislation: Senate Bill 476, P.N. 469
Sponsor: Senator Browne
Act Amended: Tax Reform Code of 1971
Topic: Sales tax returns and remittances
Date: February 11, 2011

Summary:

Senate Bill 476 further provides for the time for filing sales tax returns and for the time of payment. Specifically, the legislation would modify a twice-monthly sales tax return and remittance requirement that is scheduled to go into effect for returns filed after May 31, 2011.

Senate Bill 476 replaces the requirement for semi-monthly sales tax returns and remittances imposed by Act 48 of 2009 with a single monthly return that includes:

- An estimated payment of tax for the current month (equal to 50%* of the tax reported for the same month in the prior year); and
- A true-up payment consisting of the remainder of the tax due for the preceding month, after deduction of any estimated tax previously remitted.

Current Law:

Sales tax licensees currently file reports and remit tax on a monthly, quarterly or semi-annual basis, depending upon the amount of tax reported.

The changes imposed by Act 48 of 2009 will require licensees whose total tax reported for the third calendar quarter of the preceding year equals or exceeds \$25,000 to file semi-monthly returns and remit tax as follows:

- For the 1st day of the month to the 15th day of the month, the report shall be filed by the 25th day of the month; and
- For the 16th day of the month to the last day of the month, the report shall be filed by the 10th day of the next succeeding month.

Semi-monthly filing takes effect with returns due after May 31, 2011 for those licensees subject to the requirement.

* 55% for the return due June 20, 2011