



Senate Finance Committee

Senator John H. Eichelberger, Jr.
Chairman



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ANALYSIS

BILL NUMBER: Senate Bill 356, P.N. 267

SPONSOR: Folmer

SYNOPSIS:

Senate Bill 356 would amend the Local Tax Enabling Act to further provide for filings and quarterly payments of the local earned income tax by persons who make their living from farming.

SUMMARY/ANALYSIS:

Section 502 of the act of December 31, 1965 (P.L.1257, No.511), known as the Local Tax Enabling Act, provides for declaration and quarterly payments of the local earned income tax from taxpayers who anticipates taxable profits.

Senate Bill 356 defines “farming” to be consistent with the Tax Reform Code of 1971. The bill changes the quarterly declaration and payment dates as follows: from April, June, September and December to April, July, October, and January of the succeeding year.

The bill further provides a timetable for taxpayers whose income is at least 2/3 from farming. Under the legislation, estimated tax for farmers may be filed at any time on or before January 15 of the succeeding year, but if the farmer files a final return and pays the entire tax by March 1, the return may be considered as the declaration due on or before January 15.

Finally, Senate Bill 356 provides that no tax collector may: (1) Prohibit a taxpayer from filing any return or declaration in person or by first class mail; (2) Prohibit a taxpayer from filing any local income tax form that has been on the Department of Revenue website; or (3) Impose a penalty for failing to timely file a quarterly estimated tax return for which no payment of estimated tax was due.

EFFECTIVE DATE:

The Act would take effect in 180 days.

Derr 5/8/15