

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2413 Session of 2018

INTRODUCED BY GREINER, RYAN, FEE, MILLARD, DUNBAR, COX, LAWRENCE, PICKETT, M. QUINN, WHEELAND, ZIMMERMAN AND MACKENZIE, MAY 7, 2018

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, OCTOBER 9, 2018

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 personal income tax, further providing for <--
11 definitions, for withholding tax requirement for nonemployer-
12 payors, for information statement for nonemployer payors, for
13 payor's liability for withheld taxes, for withholding on
14 income and for annual withholding statement, providing for
15 information statement for lessors, for time for filing
16 lessees' returns, for payment of taxes withheld on lessors,
17 for lessee's liability for withheld taxes and for lessee's
18 failure to withhold and further providing for requirements
19 concerning returns, notices, records and statements and for
20 additions, penalties and fees. IN PERSONAL INCOME TAX, <--
21 FURTHER PROVIDING FOR TAX WITHHELD, FOR WITHHOLDING TAX
22 REQUIREMENT FOR NONEMPLOYER PAYORS, FOR INFORMATION STATEMENT
23 FOR NONEMPLOYER PAYORS, FOR INFORMATION STATEMENT FOR PAYEES,
24 FOR TIME FOR FILING PAYOR'S RETURNS, FOR PAYMENT OF TAXES
25 WITHHELD FOR NONEMPLOYER PAYORS, FOR LIABILITY FOR WITHHELD
26 TAXES, REPEALING PROVISIONS RELATING TO PAYOR'S LIABILITY FOR
27 WITHHELD TAXES, FURTHER PROVIDING FOR BULK AND AUCTION SALES
28 AND TRANSFERS, NOTICE, REPEALING PROVISIONS RELATING TO
29 PAYOR'S FAILURE TO WITHHOLD, PROVIDING FOR ANNUAL WITHHOLDING
30 RETURN, FURTHER PROVIDING FOR AMOUNT OF WITHHOLDING TAX AND
31 FOR TREATMENT OF NONRESIDENT PARTNERS, MEMBERS, OR
32 SHAREHOLDERS, REPEALING PROVISIONS RELATING TO WITHHOLDING ON

1 INCOME AND TO ANNUAL WITHHOLDING STATEMENT, FURTHER PROVIDING  
2 FOR REQUIREMENTS CONCERNING RETURNS, NOTICES, RECORDS AND  
3 STATEMENTS, FOR INTEREST AND FOR ADDITIONS, PENALTIES AND  
4 FEES.

5 The General Assembly of the Commonwealth of Pennsylvania  
6 hereby enacts as follows:

7 ~~Section 1. Section 316 of the act of March 4, 1971 (P.L.6, <--~~  
8 ~~No.2), known as the Tax Reform Code of 1971, is amended by~~  
9 ~~adding a definition to read:~~

10 ~~Section 316. Definitions. The following words, terms and~~  
11 ~~phrases, when used in this part, shall have the meanings~~  
12 ~~ascribed to them in this section, except where the context~~  
13 ~~clearly indicates a different meaning:~~

14 ~~"Income from sources within this Commonwealth." For purposes~~  
15 ~~of nonemployer withholding, as defined in section 301(k)(2).~~

16 \* \* \*

17 ~~Section 2. Sections 316.2, 317.1, 320.1, 324.4 and 324.5 of~~  
18 ~~the act, added October 30, 2017 (P.L.672, No.43), are amended to~~  
19 ~~read:~~

20 ~~Section 316.2. Withholding Tax Requirement for Nonemployer~~  
21 ~~Payors. (a) To the extent not already required to withhold tax~~  
22 ~~on payments under section 316.1, a person that:~~

23 ~~(1) makes aggregate payments of \$5,000 or more of income~~  
24 ~~from sources within this Commonwealth described in section~~  
25 ~~303(a)(1) or (2) during the calendar year to either a~~  
26 ~~nonresident individual or [an entity] a limited liability~~  
27 ~~company that is disregarded [under section 307.21] for Federal~~  
28 ~~income tax purposes that has a nonresident individual member;~~  
29 ~~and~~

30 ~~(2) is required [under section 335(f)(1) to file a copy of~~  
31 ~~form 1099 MISC with the department regarding the payments] to~~  
32 ~~make a form 1099 MISC return to the Secretary of the Treasury of~~

1 ~~the United States with respect to those payments;~~  
2 ~~shall deduct and withhold from the payments an amount equal to~~  
3 ~~the [net] amount of the payments required to be reported on the~~  
4 ~~form 1099-MISC multiplied by the tax rate specified under~~  
5 ~~section 302(b).~~

6 ~~(a.1) For purposes of determining nonemployer withholding on~~  
7 ~~a payment to a payee that relates to business engaged in, or~~  
8 ~~services performed both within and without this Commonwealth,~~  
9 ~~income from sources within this Commonwealth with respect to~~  
10 ~~that payment will be determined by either multiplying the~~  
11 ~~payment times the ratio of days spent in this Commonwealth~~  
12 ~~engaging in business or performing services in this Commonwealth~~  
13 ~~to which the payment relates over total days spent engaging in~~  
14 ~~business or performing services everywhere to which the payment~~  
15 ~~relates or using any other method that results in a fair and~~  
16 ~~equitable determination of income from sources within this~~  
17 ~~Commonwealth.~~

18 ~~(b) Withholding of tax by payors is optional and at the~~  
19 ~~discretion of the payor with respect to payees who receive~~  
20 ~~payments of income from sources within this Commonwealth of less~~  
21 ~~than \$5,000 annually from the payor. If a payor is not able to~~  
22 ~~determine whether aggregate annual payments of income from~~  
23 ~~sources within this Commonwealth to a payee will be \$5,000 or~~  
24 ~~more at the time of the first payment each calendar year, the~~  
25 ~~payor shall begin to withhold tax once aggregate annual payments~~  
26 ~~of income from sources within this Commonwealth to the payee~~  
27 ~~reach \$5,000. The payor will not be required to withhold tax on~~  
28 ~~payments made prior to that time.~~

29 ~~(c) This section shall not apply to payments made by a payor~~  
30 ~~to a payee if the payor is:~~

1       ~~(1) The United States or an agency or instrumentality~~  
2 ~~thereof; or~~

3       ~~(2) The Commonwealth or an agency, instrumentality or~~  
4 ~~political subdivision thereof.~~

5       ~~(c.1) A payee receiving payments of income from sources~~  
6 ~~within this Commonwealth that are required to be reported on a~~  
7 ~~form 1099-MISC return to the Secretary of the Treasury of the~~  
8 ~~United States shall provide the payor on a form prescribed by~~  
9 ~~the department the information necessary to determine the amount~~  
10 ~~of tax to withhold, including classification of payee, state of~~  
11 ~~residence of individual or member and amount of income upon~~  
12 ~~which to withhold tax when activity takes place within and~~  
13 ~~without this Commonwealth. If the payee fails to provide the~~  
14 ~~required information and the payor reasonably believes that~~  
15 ~~withholding is required under this section, the payor shall~~  
16 ~~withhold tax on 100% of each payment until the payee provides~~  
17 ~~the required information. The payor will not be required to~~  
18 ~~adjust tax withheld on any payment made prior to receipt of the~~  
19 ~~required information.~~

20       ~~(d) The department may prescribe regulations to implement~~  
21 ~~and clarify the withholding requirement set forth in this~~  
22 ~~section.~~

23       ~~Section 317.1. Information Statement for Nonemployer~~  
24 ~~Payors. (a) Every payor required to deduct and withhold tax~~  
25 ~~under section 316.2 shall furnish to a payee to whom the payor~~  
26 ~~has paid income from sources within this Commonwealth during the~~  
27 ~~calendar year and the department a copy of form 1099-MISC~~  
28 ~~[required under section 335(f)(1)]. The copy of form 1099-MISC~~  
29 ~~required by this section for each calendar year shall be~~  
30 ~~forwarded to the payee and the department on or before [March 1-~~

1 ~~of the year succeeding the calendar year.] the date the payor is~~  
2 ~~required to furnish the payee and the Secretary of the Treasury~~  
3 ~~of the United States with a copy of the form 1099 MISC for~~  
4 ~~Federal income tax purposes.~~

5 ~~(b) If the form 1099 MISC filed by the payor with the~~  
6 ~~Secretary of the Treasury of the United States is not completed~~  
7 ~~in such a manner that State income and State tax withheld~~  
8 ~~information, currently boxes 16 through 18 on form 1099 MISC, is~~  
9 ~~reflected thereon, the payor shall update the copies of form~~  
10 ~~1099 MISC to be provided pursuant to this section to reflect~~  
11 ~~such information prior to filing it with the department and~~  
12 ~~sending it to the payee.~~

13 ~~(c) If a payor files a corrected form 1099 MISC with the~~  
14 ~~Secretary of the Treasury of the United States that would change~~  
15 ~~the income from sources within this Commonwealth of a payee, or~~  
16 ~~if a payor erroneously reports income from sources within this~~  
17 ~~Commonwealth or the amount of tax withheld, the payor shall file~~  
18 ~~a corrected form 1099 MISC with the department.~~

19 ~~(d) If the payor is required to perform electronic filing~~  
20 ~~for Pennsylvania employer withholding purposes, form 1099 MISC~~  
21 ~~shall be filed electronically with the department. The payor may~~  
22 ~~file form 1099 MISC electronically in other instances.~~

23 ~~Section 320.1. Payor's Liability for Withheld Taxes. Every~~  
24 ~~payor required to deduct and withhold tax under section 316.2 is~~  
25 ~~hereby made liable for such tax. In determining the amount of~~  
26 ~~tax withheld, a payor may rely upon the information that a payee~~  
27 ~~provides on the form prescribed in section 316.2(c.1). For~~  
28 ~~purposes of assessment and collection, any amount required to be~~  
29 ~~withheld and paid over to the department and any additions to~~  
30 ~~tax, penalties and interest with respect thereto shall be~~

1 ~~considered the tax of the payor. All taxes deducted and withheld~~  
2 ~~from payees pursuant to section 316.2 or under color of section~~  
3 ~~316.2 shall constitute a trust fund for the Commonwealth and~~  
4 ~~shall be enforceable against such payor, his representative or~~  
5 ~~any other person receiving any part of such fund.~~

6 Section 324.4. Withholding on Income. (a) ~~[Every lessee of~~  
7 ~~Pennsylvania real estate who makes a lease payment in the course~~  
8 ~~of a trade or business to a nonresident lessor shall withhold~~  
9 ~~Pennsylvania personal income tax on rental payments to such~~  
10 ~~nonresident lessor.] Every lessee of Pennsylvania real estate~~  
11 ~~who meets the following requirements shall deduct and withhold~~  
12 ~~from each lease payment an amount equal to the amount of the~~  
13 ~~payment required to be reported on the form 1099-MISC multiplied~~  
14 ~~by the tax rate specified under section 302(b):~~

15 ~~(1) makes aggregate lease payments in the course of a trade~~  
16 ~~or business to a lessor that is a nonresident individual,~~  
17 ~~nonresident individual of a single member limited liability~~  
18 ~~company classified as a disregarded entity for Federal income~~  
19 ~~tax purposes, nonresident trust subject to this tax and a~~  
20 ~~nonresident estate in the amount of \$5,000 or more during the~~  
21 ~~calendar year; and~~

22 ~~(2) is required to make a form 1099-MISC return to the~~  
23 ~~Secretary of the Treasury of the United States with respect to~~  
24 ~~those payments.~~

25 ~~(b) [Every lessee shall withhold from each payment made to a~~  
26 ~~lessor an amount equal to the net amount payable to the lessor~~  
27 ~~multiplied by the tax rate specified under section 302(b).] A~~  
28 ~~lessor receiving payments to which this section applies shall~~  
29 ~~provide the lessee on a form prescribed by the department the~~  
30 ~~information necessary to determine the amount of tax to~~

1 ~~withhold, including classification of lessor, state of residence~~  
2 ~~of individual, member or entity and amount of rental income upon~~  
3 ~~which to withhold tax. If the lessor fails to provide the~~  
4 ~~required information and the lessee reasonably believes that~~  
5 ~~withholding is required under this section, the lessee shall~~  
6 ~~withhold tax on 100% of a lease payment. The lessee will not be~~  
7 ~~required to adjust tax withheld on any payment made prior to~~  
8 ~~receipt of the required information.~~

9 ~~(c) (Reserved).~~

10 ~~(d) The withholding of tax under this section is optional~~  
11 ~~and at the discretion of the lessee with respect to payments to~~  
12 ~~a lessor who receives less than \$5,000 annually on a lease. If a~~  
13 ~~lessee is not able to determine whether aggregate annual~~  
14 ~~payments to a lessor will be \$5,000 or more at the time of the~~  
15 ~~first payment each calendar year, the lessee shall begin to~~  
16 ~~withhold tax once aggregate annual payments to a lessor reach~~  
17 ~~\$5,000. The lessee will not be required to withhold tax on~~  
18 ~~payments made prior to that time.~~

19 ~~(e) For purposes of this section, the term or phrase:~~

20 ~~(1) "Lessor" shall include an individual, estate or~~  
21 ~~trust.~~

22 ~~(2) "Lease payment" shall include, but not be limited~~  
23 ~~to, rents, royalties, bonus payments, damage payments, delay~~  
24 ~~rents and other payments made pursuant to a lease, other than~~  
25 ~~compensation derived from intangible property having a~~  
26 ~~taxable or business situs in this Commonwealth.~~

27 ~~Classification as a "lease payment" under this section is~~  
28 ~~solely for the purposes of establishing withholding~~  
29 ~~requirements and shall not be relevant for a determination as~~  
30 ~~to the proper income classification of any such lease~~

1 payment.

2 ~~(3) "In the course of a trade or business" shall include~~  
3 ~~any person or business entity making lease payments to a~~  
4 ~~nonresident or agent of a nonresident who collects rent or~~  
5 ~~lease payments on behalf of a nonresident owner other than a~~  
6 ~~tenant of residential property.~~

7 Section 324.5. Annual Withholding Statement. ~~[(a) Every~~  
8 ~~lessee shall furnish to each lessor an annual statement at such~~  
9 ~~time and in such manner as may be prescribed by the department~~  
10 ~~showing the total payments made by the lessee to the lessor~~  
11 ~~during the preceding taxable year and showing the amount of the~~  
12 ~~tax deducted and withheld from the payments under section 324.4.~~

13 ~~(b) Every lessee shall file with the department an annual~~  
14 ~~statement at such time and in such manner as may be prescribed~~  
15 ~~by the department showing the total payments made to each lessor~~  
16 ~~subject to withholding during the preceding taxable year or any~~  
17 ~~portion of the preceding taxable year and the total amount of~~  
18 ~~tax deducted and withheld under section 324.4.~~

19 ~~(c) Every lessor shall file a duplicate of the annual~~  
20 ~~statement furnished by the lessee under this section with the~~  
21 ~~lessor's State income tax return.]~~

22 ~~(a) Every lessee required to deduct and withhold tax under~~  
23 ~~section 324.4 during the calendar year shall furnish to the~~  
24 ~~lessor and the department a copy of form 1099-MISC. A copy of~~  
25 ~~form 1099-MISC required by this section for each calendar year~~  
26 ~~shall be forwarded to the payee and the department on or before~~  
27 ~~the date the payor is required to furnish the payee and the~~  
28 ~~Secretary of the Treasury of the United States with a copy of~~  
29 ~~the form 1099-MISC for Federal income tax purposes.~~

30 ~~(b) If the form 1099-MISC filed by a lessee with the~~



1 ~~Secretary of the Treasury of the United States is not completed~~  
2 ~~in such a manner that State income and State tax withheld~~  
3 ~~information, currently boxes 16 through 18 on form 1099-MISC, is~~  
4 ~~reflected thereon, the lessee shall update the copies of form~~  
5 ~~1099-MISC to be provided pursuant to this section to reflect~~  
6 ~~such information prior to filing it with the department and~~  
7 ~~sending it to the lessee.~~

8 ~~(c) If a lessee files a corrected form 1099-MISC with the~~  
9 ~~Secretary of the Treasury of the United States that would change~~  
10 ~~the amount of lease payments from Pennsylvania real estate, or~~  
11 ~~if a lessee erroneously reports lease payments from Pennsylvania~~  
12 ~~real estate or the amount of tax withheld, the lessee shall file~~  
13 ~~a corrected form 1099-MISC with the department.~~

14 ~~(d) If the lessee is required to perform electronic filing~~  
15 ~~for Pennsylvania employer withholding purposes, the form 1099-~~  
16 ~~MISC shall be filed electronically with the department. The~~  
17 ~~lessee may file the form 1099-MISC electronically in other~~  
18 ~~instances.~~

19 ~~Section 3. The act is amended by adding sections to read:~~

20 ~~Section 324.6. Information Statement for Lessors. Every~~  
21 ~~lessor receiving a copy of form 1099-MISC from a lessee under~~  
22 ~~section 324.4 shall file a duplicate of such information return~~  
23 ~~with the lessor's State income tax return.~~

24 ~~Section 324.7. Time for Filing Lessees' Returns. Every~~  
25 ~~lessee required to deduct and withhold tax under section 324.4~~  
26 ~~shall file a quarterly withholding return on or before the last~~  
27 ~~day of April, July, October and January for each three month~~  
28 ~~period ending the last day of March, June, September and~~  
29 ~~December. The quarterly returns shall be filed with the~~  
30 ~~department in the manner prescribed by regulation.~~

1 ~~Section 324.8. Payment of Taxes Withheld on Lessors. Every~~  
2 ~~lessee withholding tax under section 324.4 shall pay over to the~~  
3 ~~department or to a depository designated by the department the~~  
4 ~~tax required to be deducted and withheld under section 324.4.~~  
5 ~~The time for paying over the withheld tax shall be as set forth~~  
6 ~~in sections 319(a) (1), (2), (3) and (4).~~

7 ~~Section 324.9. Lessee's Liability for Withheld Taxes. Every~~  
8 ~~lessee required to deduct and withhold tax under section 324.4~~  
9 ~~is liable for such tax. In determining the amount of tax to~~  
10 ~~withhold, a lessee may rely upon the information that a lessor~~  
11 ~~provides on the form prescribed in section 324.4(b). For~~  
12 ~~purposes of assessment and collection, any amount required to be~~  
13 ~~withheld and paid over to the department and any additions to~~  
14 ~~tax, penalties and interest with respect thereto shall be~~  
15 ~~considered the tax of the lessee. All taxes deducted and~~  
16 ~~withheld from lessors pursuant to section 324.4 or under color~~  
17 ~~of section 324.4 shall constitute a trust fund for the~~  
18 ~~Commonwealth and shall be enforceable against such payor, his~~  
19 ~~representative or any other person receiving any part of such~~  
20 ~~fund.~~

21 ~~Section 324.10. Lessee's Failure to Withhold. If a lessee~~  
22 ~~fails to deduct and withhold tax as prescribed under section~~  
23 ~~324.4 and thereafter the tax which may be credited is paid, the~~  
24 ~~tax which was required to be deducted and withheld shall not be~~  
25 ~~collected from the lessee, but the lessee shall not be relieved~~  
26 ~~of the liability for any penalty, interest or additions to the~~  
27 ~~tax imposed with respect to such failure to deduct and withhold.~~

28 ~~Section 4. Section 335(f) of the act, amended October 30,~~  
29 ~~2017 (P.L.672, No.43), is amended and the section is amended by~~  
30 ~~adding a subsection to read:~~

~~Section 335. Requirements Concerning Returns, Notices,  
Records and Statements. \* \* \*~~

~~{(f) The following apply:~~

~~(1) Any person who:~~

~~(i) makes payments of Pennsylvania source income that fall  
within any of the eight classes of income enumerated in section  
303(a);~~

~~(ii) makes such payments to an individual, an entity treated  
as a partnership for tax purposes or a single member limited  
liability company; and~~

~~(iii) is required to make a form 1099-MISC return to the  
Secretary of the Treasury of the United States with respect to  
such payments, shall file a copy of such form 1099-MISC with the  
department and send a copy of such form 1099-MISC to the payee  
by March 1 of each year or, if filed electronically, by March 31  
of each year. If the form 1099-MISC filed by a payor with the  
Secretary of the Treasury of the United States is not completed  
in such a manner that State income and State tax withheld  
information, currently boxes 16 through 18 on Federal form 1099-  
MISC, is reflected thereon, the payor shall update the copies of  
form 1099-MISC to be provided pursuant to this section to  
reflect such information prior to filing it with the department  
and sending it to the payee.~~

~~(2) If the payor is required to perform electronic filing  
for Pennsylvania employer withholding purposes, the form 1099-  
MISC shall be filed electronically with the department.~~

~~(3) As used in this subsection, the following words and  
phrases shall have the meanings given to them in this paragraph  
unless the context clearly indicates otherwise:~~

~~"Payee." The person receiving the payments subject to~~

1 ~~withholding under this subsection.~~

2 ~~"Payments." The term does not include a partner or~~  
3 ~~shareholder's distributive share of income from a partnership or~~  
4 ~~Pennsylvania S corporation.~~

5 ~~"Payor." The person required to withhold under this~~  
6 ~~subsection.]~~

7 ~~(f.1) (1) Except in instances where sections 317, 317.1 and~~  
8 ~~324.5 apply, any payor who makes aggregate payments of five~~  
9 ~~thousand dollars (\$5,000) or more of income from sources within~~  
10 ~~this Commonwealth, as defined in section 301(k), that fall~~  
11 ~~within any of the eight classes of income enumerated in section~~  
12 ~~303(a) to a payee who is an individual, an entity classified as~~  
13 ~~a partnership for Federal income tax purposes, or an entity~~  
14 ~~classified as a disregarded entity for Federal income tax~~  
15 ~~purposes, and is required to make a form 1099-MISC return to the~~  
16 ~~Secretary of the Treasury of the United States with respect to~~  
17 ~~such payments, shall file a copy of such form 1099-MISC with the~~  
18 ~~department. The payor shall not be required to report State~~  
19 ~~income and State tax withheld information, currently boxes 16-~~  
20 ~~through 18 on form 1099-MISC.~~

21 ~~(2) A copy of form 1099-MISC required by this section for~~  
22 ~~each calendar year shall be forwarded to the department on or~~  
23 ~~before the date the payor is required to furnish the Secretary~~  
24 ~~of the Treasury of the United States with a copy of the form~~  
25 ~~1099-MISC for Federal income tax purposes.~~

26 ~~(3) If the payor is required to perform electronic filing~~  
27 ~~for Pennsylvania employer withholding purposes, the form 1099-~~  
28 ~~MISC shall be filed electronically with the department. The~~  
29 ~~payor may file the form 1099-MISC electronically in other~~  
30 ~~instances.~~

1 ~~(4) If a payor timely furnishes the department with a~~  
2 ~~correct copy of the form 1099-MISC, the department is prohibited~~  
3 ~~from seeking any information regarding State income and State~~  
4 ~~tax withheld information, currently boxes 16 through 18 on form~~  
5 ~~1099-MISC, from the payor. The department shall obtain that~~  
6 ~~information only from the payee.~~

7 ~~(5) As used in this subsection, the following words and~~  
8 ~~phrases shall have the meanings given to them in this paragraph~~  
9 ~~unless the context clearly indicates otherwise:~~

10 ~~"Payee." A person receiving a payment or payments subject to~~  
11 ~~information reporting under this subsection.~~

12 ~~"Payments." The term does not include a partner or~~  
13 ~~shareholder's distributive share of income from a partnership or~~  
14 ~~Pennsylvania S corporation.~~

15 ~~"Payor." A person required to file a form 1099-MISC with the~~  
16 ~~Secretary of the Treasury of the United States reporting a~~  
17 ~~payment or payments of income from sources within this~~  
18 ~~Commonwealth, as defined in section 301(k), that fall within any~~  
19 ~~of the eight classes of income enumerated in section 303(a).~~

20 \* \* \*

21 ~~Section 5. Section 352(f), (h) and (j) of the act, amended~~  
22 ~~October 30, 2017 (P.L. 672, No. 43), are amended to read:~~

23 ~~Section 352. Additions, Penalties and Fees. \* \* \*~~

24 ~~(f) (1) Any person required under the provisions of section~~  
25 ~~317 to furnish a statement to an employe who wilfully furnishes~~  
26 ~~a false or fraudulent statement, or who wilfully fails to~~  
27 ~~furnish a statement in the manner, at the time, and showing the~~  
28 ~~information required under section 317 and the regulations~~  
29 ~~prescribed thereunder, shall, for each such failure, be subject~~  
30 ~~to a penalty of fifty dollars (\$50) for each employe.~~

1       ~~(2) Any person required to furnish an information return who~~  
2 ~~furnishes a false or fraudulent return or who fails to file or~~  
3 ~~provide an information return shall be subject to a penalty of~~  
4 ~~two hundred fifty dollars (\$250).~~

5       ~~(3) Every partnership, estate, trust or Pennsylvania S-~~  
6 ~~corporation required to file a return with the department under~~  
7 ~~the provisions of section 330.1 or 335(c) who furnishes a false~~  
8 ~~or fraudulent return or who fails to file the return in the~~  
9 ~~manner and at the time required under section 330.1 or 335(c)~~  
10 ~~shall be subject to a penalty of \$250 for each failure.~~

11       ~~(4) Any person required to file a copy of form 1099-MISC-~~  
12 ~~with the department under the provisions of section [335(f)]~~  
13 ~~317.1, 324.5 or 335(f.1) who wilfully furnishes a false or~~  
14 ~~fraudulent form or who wilfully fails to file the form in the~~  
15 ~~manner, at the time and showing the information required under~~  
16 ~~section [335(f)] 317.1, 324.5 or 335(f.1) shall, for each such~~  
17 ~~failure, be subject to a penalty of fifty dollars (\$50).~~

18       ~~(5) Any person required under the provisions of section~~  
19 ~~[335(f)] 317.1, 324.5 or 335(f.1) to furnish a copy of form~~  
20 ~~1099-MISC to a payee who wilfully furnishes a false or~~  
21 ~~fraudulent form or who wilfully fails to furnish a form in the~~  
22 ~~manner, at the time and showing the information required by~~  
23 ~~section [335(f)] 317.1, 324.5 or 335(f.1) shall, for each such~~  
24 ~~failure, be subject to a penalty of fifty dollars (\$50).~~

25       ~~[(6) Any person required to file an annual statement with~~  
26 ~~the department under the provisions of section 324.5 who~~  
27 ~~wilfully furnishes a false or fraudulent statement or who~~  
28 ~~wilfully fails to file the statement in the manner, at the time~~  
29 ~~and showing the information required under section 324.5 and the~~  
30 ~~regulations prescribed under section 324.5 shall, for each such~~

1 ~~failure, be subject to a penalty of fifty dollars (\$50).~~

2 ~~(7) Any person required under the provisions of section~~  
3 ~~324.5 to furnish an annual statement to a lessor who wilfully~~  
4 ~~furnishes a false or fraudulent statement or who wilfully fails~~  
5 ~~to furnish a statement in the manner, at the time and showing~~  
6 ~~the information required by section 324.5 and the regulations~~  
7 ~~prescribed under section 324.5 shall, for each such failure, be~~  
8 ~~subject to a penalty of fifty dollars (\$50).]~~

9 ~~(h) If any amount of tax required to be withheld by an~~  
10 ~~employer, payor or lessor and paid over to the department under~~  
11 ~~section 319 [or], 319.1 or 324.8 is not paid on or before the~~  
12 ~~due date prescribed for filing the quarterly return under~~  
13 ~~section 318 [or], 318.1 or 324.7, determined without regard to~~  
14 ~~an extension of time for filing, there shall be added to the tax~~  
15 ~~and paid to the department each month five per cent of such~~  
16 ~~underpayment for each month or fraction thereof from the due~~  
17 ~~date, for the period from the due date to the date paid; but the~~  
18 ~~underpayment shall, for purposes of computing the addition for~~  
19 ~~any month, be reduced by the amount of any part of the tax which~~  
20 ~~is paid by the beginning of that month. The total of such~~  
21 ~~additions shall not exceed fifty per cent of the amount of tax~~  
22 ~~required to be shown on the return reduced by the amount of any~~  
23 ~~part of the tax which is paid by the return due date and by the~~  
24 ~~amount of any credit against the tax which may be claimed on the~~  
25 ~~return.~~

26 ~~\* \* \*~~

27 ~~[(j) If any amount of tax required to be withheld by a~~  
28 ~~partnership, association, Pennsylvania S corporation or lessee~~  
29 ~~and paid over to the department under section 324 or 324.4 is~~  
30 ~~not paid on or before the date prescribed therefor, there shall~~

1 ~~be added to the tax and paid to the department each month five~~  
2 ~~per cent of such underpayment for each month or fraction thereof~~  
3 ~~from the due date, for the period from the due date to the date~~  
4 ~~paid; but the underpayment shall, for purposes of computing the~~  
5 ~~addition for any month, be reduced by the amount of any part of~~  
6 ~~the tax which is paid by the beginning of that month. The total~~  
7 ~~of such additions shall not exceed fifty per cent of the amount~~  
8 ~~of such tax.]~~

9 ~~Section 6. This act shall take effect immediately.~~

10 SECTION 1. SECTIONS 312, 316.2, 317.1, 317.2, 318.1 AND <--  
11 319.1 OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE  
12 TAX REFORM CODE OF 1971, AMENDED OR ADDED OCTOBER 30, 2017  
13 (P.L.672, NO.43), ARE AMENDED TO READ:

14 SECTION 312. TAX WITHHELD.--(A) THE AMOUNT WITHHELD UNDER  
15 [SECTION 316.1] SECTIONS 316.1 AND 316.2 SHALL BE ALLOWED TO THE  
16 TAXPAYER FROM WHOSE INCOME THE TAX WAS WITHHELD AS A CREDIT  
17 AGAINST THE TAX IMPOSED ON HIM BY THIS ARTICLE.

18 (B) THE CREDIT UNDER SUBSECTION (A) SHALL BE ALLOWED FOR THE  
19 PERSON'S TAXABLE YEAR IN WHICH THE TAX WAS WITHHELD.

20 SECTION 316.2. WITHHOLDING TAX REQUIREMENT FOR NONEMPLOYER  
21 PAYORS AND LESSEES.--(A) TO THE EXTENT NOT ALREADY REQUIRED TO  
22 WITHHOLD TAX ON PAYMENTS UNDER SECTION 316.1, A PERSON THAT  
23 MAKES THE FOLLOWING TYPES OF PAYMENTS, WHO IS ALSO REQUIRED TO  
24 ISSUE OR VOLUNTARILY ISSUES FEDERAL FORM 1099-MISC FOR SUCH  
25 PAYMENTS SHALL DEDUCT AND WITHHOLD FROM THE PAYMENTS AN AMOUNT  
26 EQUAL TO THE AMOUNT OF THE PAYMENT REQUIRED TO BE REPORTED ON  
27 THE FEDERAL FORM 1099-MISC MULTIPLIED BY THE TAX RATE SPECIFIED  
28 UNDER SECTION 302(B):

29 (1) [MAKES] PAYMENTS TOTALING \$5,000 OR MORE OF INCOME FROM  
30 SOURCES WITHIN THIS COMMONWEALTH DESCRIBED IN SECTION 303(A) (1)



1 OR (2) DURING THE CALENDAR YEAR TO EITHER A NONRESIDENT  
2 INDIVIDUAL OR AN ENTITY THAT IS CLASSIFIED AS A DISREGARDED  
3 ENTITY UNDER SECTION 307.21 THAT [HAS A NONRESIDENT MEMBER; AND  
4 (2) IS REQUIRED UNDER SECTION 335(F)(1) TO FILE A COPY OF  
5 FORM 1099-MISC WITH THE DEPARTMENT REGARDING THE PAYMENTS;  
6 SHALL DEDUCT AND WITHHOLD FROM THE PAYMENTS AN AMOUNT EQUAL TO  
7 THE NET AMOUNT OF THE PAYMENTS MULTIPLIED BY THE TAX RATE  
8 SPECIFIED UNDER SECTION 302(B).

9 (B) WITHHOLDING OF TAX BY PAYORS IS OPTIONAL AND AT THE  
10 DISCRETION OF THE PAYOR WITH RESPECT TO PAYEES WHO RECEIVE  
11 PAYMENTS OF LESS THAN \$5,000 ANNUALLY FROM THE PAYOR.

12 (C) THIS SECTION SHALL NOT APPLY TO PAYMENTS MADE BY A PAYOR  
13 TO A PAYEE IF THE PAYOR IS:

14 (1) THE UNITED STATES OR AN AGENCY OR INSTRUMENTALITY  
15 THEREOF; OR

16 (2) THE COMMONWEALTH OR AN AGENCY, INSTRUMENTALITY OR  
17 POLITICAL SUBDIVISION THEREOF.

18 (D) THE DEPARTMENT MAY PRESCRIBE REGULATIONS TO IMPLEMENT  
19 AND CLARIFY THE WITHHOLDING REQUIREMENT SET FORTH IN THIS  
20 SECTION.] IS OWNED BY A NONRESIDENT INDIVIDUAL; OR

21 (2) LEASE PAYMENTS TOTALING \$5,000 OR MORE FOR REAL ESTATE  
22 IN THIS COMMONWEALTH TO A NONRESIDENT LESSOR EITHER DIRECTLY OR  
23 INDIRECTLY THROUGH A MANAGEMENT COMPANY OR OTHER AGENT  
24 AUTHORIZED TO RECEIVE THE LEASE PAYMENTS ON BEHALF OF THE  
25 NONRESIDENT LESSOR.

26 (B) WITHHOLDING OF TAX BY A PAYOR OR LESSEE IS OPTIONAL AND  
27 AT THE DISCRETION OF A PAYOR OR LESSEE WITH RESPECT TO PAYMENTS  
28 OF INCOME FROM SOURCES WITHIN THIS COMMONWEALTH OF LESS THAN  
29 \$5,000 ANNUALLY.

30 (C) IF AT THE TIME OF A PAYMENT A PAYOR OR LESSEE CANNOT

1 REASONABLY EXPECT TOTAL PAYMENTS OF INCOME FROM SOURCES WITHIN  
2 THIS COMMONWEALTH TO A PAYEE OR LESSOR TO BE AT LEAST \$5,000  
3 DURING THE CALENDAR YEAR, THE PAYOR OR LESSEE SHALL BEGIN TO  
4 WITHHOLD TAX ONCE THE PAYOR OR LESSEE REASONABLY EXPECTS THAT  
5 TOTAL PAYMENTS OF INCOME FROM SOURCES WITHIN THIS COMMONWEALTH  
6 TO THE PAYEE WILL BE AT LEAST \$5,000 DURING THE CALENDAR YEAR.  
7 THE PAYOR OR LESSEE WILL NOT BE REQUIRED TO WITHHOLD TAX ON  
8 PAYMENTS MADE PRIOR TO THAT TIME.

9 (D) A MANAGEMENT COMPANY ACTING AS AN AGENT FOR A LESSEE MAY  
10 WITHHOLD AND REMIT THE TAX ON BEHALF OF THE LESSEE. A MANAGEMENT  
11 COMPANY THAT WITHHOLDS THE TAX ON BEHALF OF THE LESSEE BECOMES  
12 JOINTLY AND SEVERALLY LIABLE WITH THE LESSEE FOR THE TAX. A  
13 LESSEE IS NOT RELIEVED FROM LIABILITY FOR WITHHOLDING TAX IF THE  
14 MANAGEMENT COMPANY FAILS TO WITHHOLD AND REMIT THE TAX.

15 (E) A MANAGEMENT COMPANY, AGENT OR PAYEE THAT WITHHOLDS ITS  
16 COMPENSATION FROM A PAYMENT FROM A LESSEE OR OTHER PERSON SHALL  
17 REMIT TO THE LESSOR OR PAYOR WITH THE BALANCE OF THE PAYMENT ANY  
18 TAX REQUIRED TO BE WITHHELD UNDER THIS SECTION. IF NO PORTION OF  
19 THE PAYMENT IS REMITTED TO THE LESSOR OR PAYOR, THE MANAGEMENT  
20 COMPANY, AGENT OR PAYEE MUST REMIT THE AMOUNT OF THE WITHHELD  
21 TAX TO THE LESSOR OR PAYOR WITHIN THIRTY (30) DAYS OF RECEIPT OF  
22 THE PAYMENT FROM THE LESSEE OR OTHER PERSON. THE LESSOR OR PAYOR  
23 MUST REMIT AND REPORT THE TAX IN ACCORDANCE WITH SECTIONS 318.1  
24 AND 319.1.

25 (F) EXCEPT AS PROVIDED IN SUBSECTION (G), IN INSTANCES WHERE  
26 A PAYMENT TO A PAYEE IS ATTRIBUTABLE TO BUSINESS ENGAGED IN, OR  
27 SERVICES PERFORMED BOTH WITHIN AND WITHOUT THIS COMMONWEALTH,  
28 THE PORTION OF THE PAYMENT CONSTITUTING INCOME FROM SOURCES  
29 WITHIN THIS COMMONWEALTH FOR WITHHOLDING PURPOSES SHALL BE  
30 DETERMINED BY MULTIPLYING THE PAYMENT TIMES THE FRACTION OF TIME

1 SPENT IN THIS COMMONWEALTH ENGAGING IN BUSINESS OR PERFORMING  
2 SERVICES IN THIS COMMONWEALTH TO WHICH THE PAYMENT RELATES OVER  
3 TOTAL TIME SPENT ENGAGING IN BUSINESS OR PERFORMING SERVICES  
4 EVERYWHERE TO WHICH THE PAYMENT RELATES. TIME SPENT SHALL BE  
5 MEASURED IN DAYS, HOURS OR ANY OTHER UNIT OF TIME THAT RESULTS  
6 IN A FAIR AND EQUITABLE DETERMINATION OF INCOME FROM SOURCES  
7 WITHIN THIS COMMONWEALTH.

8 (G) IF THE PAYMENT IS BASED UPON VOLUME OF ACTIVITY,  
9 INCLUDING COMMISSIONS OF A SALESMAN, THE PORTION OF THE PAYMENT  
10 CONSTITUTING INCOME FROM SOURCES WITHIN THIS COMMONWEALTH WOULD  
11 BE APPORTIONED BASED UPON THE VOLUME OF ACTIVITY WITHIN AND  
12 OUTSIDE THIS COMMONWEALTH.

13 (H) (1) A PAYOR OR LESSEE IS NOT REQUIRED TO WITHHOLD THE  
14 TAX UNDER THIS SECTION IF THE PAYEE OR LESSEE PROVIDES A  
15 CERTIFICATION THAT:

16 (I) THE PAYEE OR LESSOR IS A RESIDENT OF THIS COMMONWEALTH;  
17 OR

18 (II) THE PAYEE OR LESSOR IS NOT SUBJECT TO TAX UNDER THIS  
19 ARTICLE.

20 (2) THE CERTIFICATION MAY BE ON A FORM PRESCRIBED BY THE  
21 DEPARTMENT OR A SUBSTITUTE FORM AS LONG AS THE FORM CONTAINS THE  
22 INFORMATION NECESSARY FOR THE PAYOR OR LESSEE TO DETERMINE  
23 WHETHER WITHHOLDING IS REQUIRED, AND THE PAYEE OR LESSOR SIGNS  
24 THE FORM.

25 (I) IF A PAYMENT RELATES TO BUSINESS ENGAGED OR SERVICES  
26 PERFORMED WITHIN OR OUTSIDE THIS COMMONWEALTH, A NONRESIDENT  
27 PAYEE SHALL PROVIDE THE PAYOR WITH THE PORTION OF THE PAYMENT  
28 THAT IS ATTRIBUTABLE TO BUSINESS ENGAGED OR SERVICES PERFORMED  
29 WITHIN THIS COMMONWEALTH AS DETERMINED IN ACCORDANCE WITH  
30 SUBSECTIONS (F) AND (G).

1 (J) IF A PAYEE OR LESSOR FAILS TO PROVIDE THE REQUIRED  
2 INFORMATION UNDER SUBSECTION (H) OR A PAYEE FAILS TO PROVIDE THE  
3 REQUIRED INFORMATION IN SUBSECTION (I), THE PAYOR OR LESSEE  
4 SHALL WITHHOLD TAX ON ONE HUNDRED PER CENT OF EACH PAYMENT UNTIL  
5 THE PAYEE OR LESSOR PROVIDES THE REQUIRED INFORMATION. THE PAYOR  
6 OR LESSEE MAY NOT BE REQUIRED TO ADJUST THE TAX WITHHELD ON ANY  
7 PAYMENT MADE PRIOR TO RECEIPT OF THE REQUIRED INFORMATION.

8 (K) A PAYOR OR LESSEE THAT, IN GOOD FAITH, RELIES UPON  
9 INFORMATION THAT A PAYEE OR LESSOR PROVIDES UNDER SUBSECTIONS  
10 (H) AND (I) MAY NOT BE SUBJECT TO THE IMPOSITION OF A TAX UNDER  
11 SECTION 320, INTEREST AND PENALTY UNDER THIS ARTICLE IF THE  
12 DEPARTMENT DETERMINES THAT THE PAYEE OR LESSOR WAS SUBJECT TO  
13 WITHHOLDING UNDER THIS SECTION OR THE PAYEE ERRONEOUSLY PROVIDED  
14 THE PAYOR WITH THE AMOUNT OF A PAYMENT CONSTITUTING INCOME FROM  
15 SOURCES WITHIN THIS COMMONWEALTH.

16 (L) THE DEPARTMENT MAY PROMULGATE REGULATIONS NECESSARY TO  
17 IMPLEMENT THE WITHHOLDING REQUIREMENTS OF THIS SECTION.

18 (M) THIS SECTION SHALL NOT APPLY TO PAYMENTS MADE BY A PAYOR  
19 OR LESSEE WHO IS:

20 (1) THE UNITED STATES OR AN AGENCY OR INSTRUMENTALITY  
21 THEREOF;

22 (2) THE COMMONWEALTH OR AN AGENCY, INSTRUMENTALITY OR  
23 POLITICAL SUBDIVISION THEREOF; OR

24 (3) A LESSEE UNDER A RESIDENTIAL LEASE.

25 (N) FOR PURPOSES OF THIS SECTION, THE TERM OR PHRASE:  
26 "LEASE PAYMENT." INCLUDES, BUT IS NOT LIMITED TO, RENTS,  
27 ROYALTIES, BONUS PAYMENTS, DAMAGE PAYMENTS, DELAY RENTS AND  
28 OTHER PAYMENTS THAT ARE MADE PURSUANT TO A LEASE OTHER THAN  
29 COMPENSATION DERIVED FROM INTANGIBLE PROPERTY HAVING A TAXABLE  
30 OR BUSINESS SITUS IN THIS COMMONWEALTH. CLASSIFICATION AS A

1 "LEASE PAYMENT" UNDER THIS SECTION IS SOLELY FOR THE PURPOSE OF  
2 ESTABLISHING WITHHOLDING REQUIREMENTS AND IS NOT RELEVANT FOR  
3 DETERMINING THE PROPER INCOME CLASSIFICATION OF THE LEASE  
4 PAYMENT.

5 "LESSOR." AN INDIVIDUAL, ESTATE OR TRUST.

6 SECTION 317.1. [INFORMATION STATEMENT FOR NONEMPLOYER  
7 PAYORS.--EVERY PAYOR REQUIRED TO DEDUCT AND WITHHOLD TAX UNDER  
8 SECTION 316.2 SHALL FURNISH TO A PAYEE TO WHOM THE PAYOR HAS  
9 PAID INCOME FROM SOURCES WITHIN THIS COMMONWEALTH DURING THE  
10 CALENDAR YEAR A COPY OF FORM 1099-MISC REQUIRED UNDER SECTION  
11 335(F)(1). THE COPY OF FORM 1099-MISC REQUIRED BY THIS SECTION  
12 FOR EACH CALENDAR YEAR SHALL BE FORWARDED TO THE PAYEE ON OR  
13 BEFORE MARCH 1 OF THE YEAR SUCCEEDING THE CALENDAR YEAR.]

14 INFORMATION STATEMENT.--(A) EVERY PERSON REQUIRED TO DEDUCT AND  
15 WITHHOLD TAX UNDER SECTION 316.2 SHALL FURNISH TO A PAYEE OR  
16 LESSEE TO WHOM THE PERSON HAS PAID INCOME DURING THE CALENDAR  
17 YEAR AND THE DEPARTMENT A COPY OF THE FEDERAL FORM 1099-MISC  
18 REPORTING THE PAYMENT. THE COPY OF FORM 1099-MISC REQUIRED BY  
19 THIS SECTION FOR EACH CALENDAR YEAR SHALL BE FORWARDED TO THE  
20 PAYEE OR LESSOR AND THE DEPARTMENT ON OR BEFORE THE DATE THE  
21 PERSON IS REQUIRED TO FURNISH THE FORM FOR FEDERAL INCOME TAX  
22 PURPOSES. THE FORM SHALL INCLUDE THE AMOUNT OF THE PAYMENT  
23 SUBJECT TO WITHHOLDING UNDER THIS PART AND THE AMOUNT OF  
24 PENNSYLVANIA TAX WITHHELD IN ACCORDANCE WITH SECTION 316.2.

25 (B) A PERSON THAT FILES A CORRECTED FEDERAL FORM 1099-MISC  
26 FOR FEDERAL INCOME TAX PURPOSES SHALL FILE A CORRECTED FEDERAL  
27 FORM 1099-MISC WITH THE DEPARTMENT IF THERE IS A CHANGE IN  
28 INCOME FROM SOURCES WITHIN THIS COMMONWEALTH OF A PAYEE OR  
29 LESSOR OR IF A PERSON ERRONEOUSLY REPORTS INCOME FROM SOURCES  
30 WITHIN THIS COMMONWEALTH OR THE AMOUNT OF TAX WITHHELD.

1 (C) THE FEDERAL FORM 1099-MISC SHALL BE FILED ELECTRONICALLY  
2 WITH THE DEPARTMENT.

3 SECTION 317.2. INFORMATION STATEMENT FOR PAYEES OR  
4 LESSORS.--EVERY PAYEE OR LESSOR RECEIVING A [COPY OF] FEDERAL  
5 FORM 1099-MISC [FROM A PAYOR] UNDER SECTION 317.1 SHALL FILE A  
6 [DUPLICATE OF SUCH INFORMATION RETURN WITH THE PAYEE'S] COPY  
7 WITH HIS OR HER STATE INCOME TAX RETURN.

8 SECTION 318.1. TIME FOR FILING [PAYORS'] NONEMPLOYER PAYER  
9 AND LESSEE WITHHOLDING RETURNS.--EVERY [PAYOR] PERSON REQUIRED  
10 TO DEDUCT AND WITHHOLD TAX UNDER SECTION 316.2 SHALL FILE A  
11 QUARTERLY WITHHOLDING RETURN WITH THE DEPARTMENT ON OR BEFORE  
12 THE LAST DAY OF APRIL, JULY, OCTOBER AND JANUARY FOR EACH THREE-  
13 MONTH PERIOD ENDING THE LAST DAY OF MARCH, JUNE, SEPTEMBER AND  
14 DECEMBER. THE QUARTERLY RETURNS SHALL BE FILED WITH THE  
15 DEPARTMENT [IN THE MANNER PRESCRIBED BY REGULATION.] BEGINNING  
16 WITH THE QUARTER IN WHICH THE TAX IS REQUIRED TO BE REMITTED  
17 UNDER SECTION 319.1.

18 SECTION 319.1. PAYMENT OF TAXES WITHHELD FOR NONEMPLOYER  
19 PAYORS AND LESSEES.--EVERY [PAYOR] PERSON WITHHOLDING TAX UNDER  
20 SECTION 316.2 SHALL PAY OVER TO THE DEPARTMENT OR TO A  
21 DEPOSITORY DESIGNATED BY THE DEPARTMENT THE TAX REQUIRED TO BE  
22 DEDUCTED AND WITHHELD UNDER SECTION 316.2. THE TIME FOR PAYING  
23 OVER THE WITHHELD TAX SHALL BE AS SET FORTH IN SECTION 319(1),  
24 (2), (3) AND (4).

25 SECTION 2. SECTION 320 OF THE ACT IS AMENDED TO READ:

26 SECTION 320. LIABILITY FOR WITHHELD TAXES.--[EVERY] EXCEPT  
27 AS OTHERWISE PROVIDED IN THIS PART, EVERY PERSON REQUIRED TO  
28 DEDUCT AND WITHHOLD TAX OR VOLUNTARILY DEDUCTS AND WITHHOLDS TAX  
29 UNDER [SECTION 316.1] SECTIONS 316.1 AND 316.2 IS HEREBY MADE  
30 LIABLE FOR SUCH TAX. FOR PURPOSES OF ASSESSMENT AND COLLECTION,

1 ANY AMOUNT REQUIRED TO BE WITHHELD AND PAID OVER TO THE  
2 DEPARTMENT, ANY AMOUNT VOLUNTARILY WITHHELD AND PAID OVER TO THE  
3 DEPARTMENT AND ANY ADDITIONS TO TAX, PENALTIES AND INTEREST WITH  
4 RESPECT THERETO, SHALL BE CONSIDERED THE TAX OF THE PERSON. ALL  
5 TAXES DEDUCTED AND WITHHELD PURSUANT TO [SECTION 316.1 OR UNDER  
6 COLOR OF SECTION 316.1] SECTIONS 316.1 AND 316.2 SHALL  
7 CONSTITUTE A TRUST FUND FOR THE COMMONWEALTH AND SHALL BE  
8 ENFORCEABLE AGAINST SUCH PERSON, HIS REPRESENTATIVE OR ANY OTHER  
9 PERSON RECEIVING ANY PART OF SUCH FUND.

10 SECTION 3. SECTION 320.1 OF THE ACT IS REPEALED:

11 [SECTION 320.1. PAYOR'S LIABILITY FOR WITHHELD TAXES.--EVERY  
12 PAYOR REQUIRED TO DEDUCT AND WITHHOLD TAX UNDER SECTION 316.2 IS  
13 HEREBY MADE LIABLE FOR SUCH TAX. FOR PURPOSES OF ASSESSMENT AND  
14 COLLECTION, ANY AMOUNT REQUIRED TO BE WITHHELD AND PAID OVER TO  
15 THE DEPARTMENT AND ANY ADDITIONS TO TAX, PENALTIES AND INTEREST  
16 WITH RESPECT THERETO SHALL BE CONSIDERED THE TAX OF THE PAYOR.  
17 ALL TAXES DEDUCTED AND WITHHELD FROM PAYEES PURSUANT TO SECTION  
18 316.2 OR UNDER COLOR OF SECTION 316.2 SHALL CONSTITUTE A TRUST  
19 FUND FOR THE COMMONWEALTH AND SHALL BE ENFORCEABLE AGAINST SUCH  
20 PAYOR, HIS REPRESENTATIVE OR ANY OTHER PERSON RECEIVING ANY PART  
21 OF SUCH FUND.]

22 SECTION 4. SECTION 321.1 OF THE ACT IS AMENDED TO READ:

23 SECTION 321.1. BULK AND AUCTION SALES AND TRANSFERS,  
24 NOTICE.--[(A) AN EMPLOYER] A PERSON THAT IS LIABLE FOR FILING  
25 RETURNS IN ACCORDANCE WITH THE PROVISIONS OF THIS PART AND  
26 EITHER SELLS OR CAUSES TO BE SOLD AT AUCTION, OR SELLS OR  
27 TRANSFERS IN BULK, FIFTY-ONE PER CENT OR MORE OF ANY STOCK OF  
28 GOODS, WARES OR MERCHANDISE OF ANY KIND, FIXTURES, MACHINERY,  
29 EQUIPMENT, BUILDINGS OR REAL ESTATE HELD BY OR ON BEHALF OF THE  
30 EMPLOYER SHALL BE SUBJECT TO THE PROVISIONS OF SECTION 1403 OF

1 "THE FISCAL CODE."

2 SECTION 5. SECTION 321.2 OF THE ACT IS REPEALED:

3 [SECTION 321.2. PAYOR'S FAILURE TO WITHHOLD.--IF A PAYOR  
4 FAILS TO DEDUCT AND WITHHOLD TAX AS PRESCRIBED UNDER SECTION  
5 316.2 AND THEREAFTER THE TAX WHICH MAY BE CREDITED IS PAID, THE  
6 TAX WHICH WAS REQUIRED TO BE DEDUCTED AND WITHHELD SHALL NOT BE  
7 COLLECTED FROM THE PAYOR, BUT THE PAYOR SHALL NOT BE RELIEVED OF  
8 THE LIABILITY FOR ANY PENALTY, INTEREST OR ADDITIONS TO THE TAX  
9 IMPOSED WITH RESPECT TO SUCH FAILURE TO DEDUCT AND WITHHOLD.]

10 SECTION 6. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

11 SECTION 323.1. ANNUAL WITHHOLDING RETURN.--A PERSON REQUIRED  
12 TO WITHHOLD TAX UNDER THIS PART SHALL FILE AN ANNUAL WITHHOLDING  
13 RETURN IN A TIME AND IN SUCH MANNER AS THE DEPARTMENT MAY  
14 PRESCRIBE SHOWING THE TOTAL PAYMENTS SUBJECT TO WITHHOLDING AND  
15 THE TOTAL AMOUNT OF TAX DEDUCTED, WITHHELD AND REMITTED.

16 SECTION 7. SECTIONS 324.1 AND 324.2 OF THE ACT, AMENDED  
17 OCTOBER 30, 2017 (P.L.672, NO.43), ARE AMENDED TO READ:

18 SECTION 324.1. AMOUNT OF WITHHOLDING TAX.--(A) THE AMOUNT  
19 OF TAX WITHHELD [FROM NONRESIDENTS AND THE AMOUNT OF THE  
20 WITHHOLDING TAX PAYABLE] UNDER SECTION 324 SHALL BE EQUAL TO THE  
21 INCOME FROM SOURCES WITHIN THIS COMMONWEALTH OF THE PARTNERSHIP,  
22 ASSOCIATION OR PENNSYLVANIA S CORPORATION WHICH IS ALLOCABLE TO  
23 NONRESIDENT PARTNERS, MEMBERS OR SHAREHOLDERS MULTIPLIED BY THE  
24 TAX RATE SPECIFIED IN SECTION 302(B).

25 (B) THERE SHALL NOT BE TAKEN INTO ACCOUNT ANY ITEM OF  
26 INCOME, GAIN, LOSS OR DEDUCTION TO THE EXTENT ALLOCABLE TO ANY  
27 PARTNER, MEMBER OR SHAREHOLDER WHO IS NOT A NONRESIDENT.

28 [(C) THERE SHALL NOT BE TAKEN INTO ACCOUNT ANY SHARE OF  
29 INCOME OF NONRESIDENT PARTNER, MEMBER OR SHAREHOLDER FROM  
30 SOURCES WITHIN THIS COMMONWEALTH TO THE EXTENT THAT THE AMOUNT



1 WAS SUBJECT TO WITHHOLDING UNDER SECTION 324.4 AND TO THE EXTENT  
2 WITHHOLDING ACTUALLY OCCURRED UNDER SECTION 324.4 BY THE TIME  
3 WITHHOLDING IS REQUIRED TO BE MADE BY THE PARTNERSHIP,  
4 ASSOCIATION OR PENNSYLVANIA S CORPORATION UNDER SECTION 324.]

5 SECTION 324.2. TREATMENT OF NONRESIDENT PARTNERS, MEMBERS OR  
6 SHAREHOLDERS.--[(A)] EACH NONRESIDENT PARTNER, MEMBER,  
7 SHAREHOLDER OR HOLDER OF A BENEFICIAL INTEREST SHALL BE ALLOWED  
8 A CREDIT FOR SUCH PARTNER'S, MEMBER'S, SHAREHOLDER'S OR HOLDER  
9 OF A BENEFICIAL INTEREST'S SHARE OF THE WITHHOLDING TAX PAID BY  
10 THE PARTNERSHIP, ASSOCIATION OR PENNSYLVANIA S CORPORATION. SUCH  
11 CREDIT SHALL BE ALLOWED FOR THE PARTNER'S, MEMBER'S,  
12 SHAREHOLDER'S OR HOLDER OF A BENEFICIAL INTEREST'S TAXABLE YEAR  
13 IN WHICH, OR WITH WHICH, THE PARTNERSHIP, ASSOCIATION OR  
14 PENNSYLVANIA S CORPORATION TAXABLE YEAR (FOR WHICH SUCH TAX WAS  
15 PAID) ENDS.

16 [(B) EACH NONRESIDENT LESSOR SHALL BE ALLOWED A CREDIT FOR  
17 THE NONRESIDENT LESSOR'S SHARE OF THE WITHHOLDING TAX PAID BY  
18 THE LESSEE UNDER SECTION 324.4.

19 (C) THE CREDITS UNDER THIS SECTION SHALL BE ALLOWED FOR THE  
20 NONRESIDENT LESSOR'S TAXABLE YEAR IN WHICH THE LESSEE WITHHELD  
21 TAX.]

22 SECTION 8. SECTIONS 324.4 AND 324.5 OF THE ACT ARE REPEALED:

23 [SECTION 324.4. WITHHOLDING ON INCOME.--(A) EVERY LESSEE OF  
24 PENNSYLVANIA REAL ESTATE WHO MAKES A LEASE PAYMENT IN THE COURSE  
25 OF A TRADE OR BUSINESS TO A NONRESIDENT LESSOR SHALL WITHHOLD  
26 PENNSYLVANIA PERSONAL INCOME TAX ON RENTAL PAYMENTS TO SUCH  
27 NONRESIDENT LESSOR.

28 (B) EVERY LESSEE SHALL WITHHOLD FROM EACH PAYMENT MADE TO A  
29 LESSOR AN AMOUNT EQUAL TO THE NET AMOUNT PAYABLE TO THE LESSOR  
30 MULTIPLIED BY THE TAX RATE SPECIFIED UNDER SECTION 302(B).

1 (C) (RESERVED) .

2 (D) THE WITHHOLDING OF TAX UNDER THIS SECTION IS OPTIONAL  
3 AND AT THE DISCRETION OF THE LESSEE WITH RESPECT TO PAYMENTS TO  
4 A LESSOR WHO RECEIVES LESS THAN \$5,000 ANNUALLY ON A LEASE.

5 (E) FOR PURPOSES OF THIS SECTION, THE TERM OR PHRASE:

6 (1) "LESSOR" SHALL INCLUDE AN INDIVIDUAL, ESTATE OR TRUST.

7 (2) "LEASE PAYMENT" SHALL INCLUDE, BUT NOT BE LIMITED TO,  
8 RENTS, ROYALTIES, BONUS PAYMENTS, DAMAGE PAYMENTS, DELAY RENTS  
9 AND OTHER PAYMENTS MADE PURSUANT TO A LEASE, OTHER THAN  
10 COMPENSATION DERIVED FROM INTANGIBLE PROPERTY HAVING A TAXABLE  
11 OR BUSINESS SITUS IN THIS COMMONWEALTH. CLASSIFICATION AS A  
12 "LEASE PAYMENT" UNDER THIS SECTION IS SOLELY FOR THE PURPOSES OF  
13 ESTABLISHING WITHHOLDING REQUIREMENTS AND SHALL NOT BE RELEVANT  
14 FOR A DETERMINATION AS TO THE PROPER INCOME CLASSIFICATION OF  
15 ANY SUCH LEASE PAYMENT.

16 (3) "IN THE COURSE OF A TRADE OR BUSINESS" SHALL INCLUDE ANY  
17 PERSON OR BUSINESS ENTITY MAKING LEASE PAYMENTS TO A NONRESIDENT  
18 OR AGENT OF A NONRESIDENT WHO COLLECTS RENT OR LEASE PAYMENTS ON  
19 BEHALF OF A NONRESIDENT OWNER OTHER THAN A TENANT OF RESIDENTIAL  
20 PROPERTY.

21 SECTION 324.5. ANNUAL WITHHOLDING STATEMENT.-- (A) EVERY  
22 LESSEE SHALL FURNISH TO EACH LESSOR AN ANNUAL STATEMENT AT SUCH  
23 TIME AND IN SUCH MANNER AS MAY BE PRESCRIBED BY THE DEPARTMENT  
24 SHOWING THE TOTAL PAYMENTS MADE BY THE LESSEE TO THE LESSOR  
25 DURING THE PRECEDING TAXABLE YEAR AND SHOWING THE AMOUNT OF THE  
26 TAX DEDUCTED AND WITHHELD FROM THE PAYMENTS UNDER SECTION 324.4.

27 (B) EVERY LESSEE SHALL FILE WITH THE DEPARTMENT AN ANNUAL  
28 STATEMENT AT SUCH TIME AND IN SUCH MANNER AS MAY BE PRESCRIBED  
29 BY THE DEPARTMENT SHOWING THE TOTAL PAYMENTS MADE TO EACH LESSOR  
30 SUBJECT TO WITHHOLDING DURING THE PRECEDING TAXABLE YEAR OR ANY

1 PORTION OF THE PRECEDING TAXABLE YEAR AND THE TOTAL AMOUNT OF  
2 TAX DEDUCTED AND WITHHELD UNDER SECTION 324.4.

3 (C) EVERY LESSOR SHALL FILE A DUPLICATE OF THE ANNUAL  
4 STATEMENT FURNISHED BY THE LESSEE UNDER THIS SECTION WITH THE  
5 LESSOR'S STATE INCOME TAX RETURN.]

6 SECTION 9. SECTION 335(F) OF THE ACT, AMENDED OCTOBER 30,  
7 2017 (P.L.672, NO.43), IS AMENDED TO READ:

8 SECTION 335. REQUIREMENTS CONCERNING RETURNS, NOTICES,  
9 RECORDS AND STATEMENTS.--\* \* \*

10 [(F) THE FOLLOWING APPLY:

11 (1) ANY PERSON WHO:

12 (I) MAKES PAYMENTS OF PENNSYLVANIA SOURCE INCOME THAT FALL  
13 WITHIN ANY OF THE EIGHT CLASSES OF INCOME ENUMERATED IN SECTION  
14 303(A);

15 (II) MAKES SUCH PAYMENTS TO AN INDIVIDUAL, AN ENTITY TREATED  
16 AS A PARTNERSHIP FOR TAX PURPOSES OR A SINGLE MEMBER LIMITED  
17 LIABILITY COMPANY; AND

18 (III) IS REQUIRED TO MAKE A FORM 1099-MISC RETURN TO THE  
19 SECRETARY OF THE TREASURY OF THE UNITED STATES WITH RESPECT TO  
20 SUCH PAYMENTS, SHALL FILE A COPY OF SUCH FORM 1099-MISC WITH THE  
21 DEPARTMENT AND SEND A COPY OF SUCH FORM 1099-MISC TO THE PAYEE  
22 BY MARCH 1 OF EACH YEAR OR, IF FILED ELECTRONICALLY, BY MARCH 31  
23 OF EACH YEAR. IF THE FORM 1099-MISC FILED BY A PAYOR WITH THE  
24 SECRETARY OF THE TREASURY OF THE UNITED STATES IS NOT COMPLETED  
25 IN SUCH A MANNER THAT STATE INCOME AND STATE TAX WITHHELD  
26 INFORMATION, CURRENTLY BOXES 16 THROUGH 18 ON FEDERAL FORM 1099-  
27 MISC, IS REFLECTED THEREON, THE PAYOR SHALL UPDATE THE COPIES OF  
28 FORM 1099-MISC TO BE PROVIDED PURSUANT TO THIS SECTION TO  
29 REFLECT SUCH INFORMATION PRIOR TO FILING IT WITH THE DEPARTMENT  
30 AND SENDING IT TO THE PAYEE.

1 (2) IF THE PAYOR IS REQUIRED TO PERFORM ELECTRONIC FILING  
2 FOR PENNSYLVANIA EMPLOYER WITHHOLDING PURPOSES, THE FORM 1099-  
3 MISC SHALL BE FILED ELECTRONICALLY WITH THE DEPARTMENT.

4 (3) AS USED IN THIS SUBSECTION, THE FOLLOWING WORDS AND  
5 PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS PARAGRAPH  
6 UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

7 "PAYEE." THE PERSON RECEIVING THE PAYMENTS SUBJECT TO  
8 WITHHOLDING UNDER THIS SUBSECTION.

9 "PAYMENTS." THE TERM DOES NOT INCLUDE A PARTNER OR  
10 SHAREHOLDER'S DISTRIBUTIVE SHARE OF INCOME FROM A PARTNERSHIP OR  
11 PENNSYLVANIA S CORPORATION.

12 "PAYOR." THE PERSON REQUIRED TO WITHHOLD UNDER THIS  
13 SUBSECTION.]

14 \* \* \*

15 SECTION 10. SECTION 351(B) OF THE ACT IS AMENDED TO READ:

16 SECTION 351. INTEREST.--\* \* \*

17 (B) [IF] EXCEPT AS OTHERWISE PROVIDED IN PART VII, IF ANY  
18 AMOUNT OF TAX REQUIRED TO BE WITHHELD [BY AN EMPLOYER] AND PAID  
19 TO THE DEPARTMENT UNDER PART VII OF THIS ARTICLE IS NOT PAID BY  
20 THE DUE DATE PRESCRIBED UNDER SECTION 319 OR 319.1, INTEREST ON  
21 THE AMOUNT AT THE RATE ESTABLISHED UNDER SECTION 806 OF "THE  
22 FISCAL CODE" SHALL BE PAID FROM THAT DATE FOR THE PERIOD OF  
23 UNDERPAYMENT.

24 SECTION 11. SECTION 352(F), (H) AND (J) OF THE ACT, AMENDED  
25 OCTOBER 30, 2017 (P.L.672, NO.43), ARE AMENDED TO READ:

26 SECTION 352. ADDITIONS, PENALTIES AND FEES.--\* \* \*

27 (F) (1) ANY PERSON REQUIRED UNDER THE PROVISIONS OF SECTION  
28 317 TO FURNISH A STATEMENT TO AN EMPLOYEE WHO WILFULLY FURNISHES  
29 A FALSE OR FRAUDULENT STATEMENT, OR WHO WILFULLY FAILS TO  
30 FURNISH A STATEMENT IN THE MANNER, AT THE TIME, AND SHOWING THE

1 INFORMATION REQUIRED UNDER SECTION 317 AND THE REGULATIONS  
2 PRESCRIBED THEREUNDER, SHALL, FOR EACH SUCH FAILURE, BE SUBJECT  
3 TO A PENALTY OF FIFTY DOLLARS (\$50) FOR EACH EMPLOYEE.

4 (2) ANY PERSON REQUIRED TO FURNISH AN INFORMATION RETURN WHO  
5 FURNISHES A FALSE OR FRAUDULENT RETURN OR WHO FAILS TO FILE OR  
6 PROVIDE AN INFORMATION RETURN SHALL BE SUBJECT TO A PENALTY OF  
7 TWO HUNDRED FIFTY DOLLARS (\$250).

8 (3) EVERY PARTNERSHIP, ESTATE, TRUST OR PENNSYLVANIA S  
9 CORPORATION REQUIRED TO FILE A RETURN WITH THE DEPARTMENT UNDER  
10 THE PROVISIONS OF SECTION 330.1 OR 335(C) WHO FURNISHES A FALSE  
11 OR FRAUDULENT RETURN OR WHO FAILS TO FILE THE RETURN IN THE  
12 MANNER AND AT THE TIME REQUIRED UNDER SECTION 330.1 OR 335(C)  
13 SHALL BE SUBJECT TO A PENALTY OF \$250 FOR EACH FAILURE.

14 (4) ANY PERSON REQUIRED TO FILE A COPY OF FORM 1099-MISC  
15 WITH THE DEPARTMENT UNDER THE PROVISIONS OF SECTION [335(F)]  
16 317.1 WHO WILFULLY FURNISHES A FALSE OR FRAUDULENT FORM OR WHO  
17 WILFULLY FAILS TO FILE THE FORM IN THE MANNER, AT THE TIME AND  
18 SHOWING THE INFORMATION REQUIRED UNDER SECTION [335(F)] 317.1  
19 SHALL, FOR EACH SUCH FAILURE, BE SUBJECT TO A PENALTY OF FIFTY  
20 DOLLARS (\$50).

21 (5) ANY PERSON REQUIRED UNDER THE PROVISIONS OF SECTION  
22 [335(F)] 317.1 TO FURNISH A COPY OF FORM 1099-MISC TO A PAYEE  
23 WHO WILFULLY FURNISHES A FALSE OR FRAUDULENT FORM OR WHO  
24 WILFULLY FAILS TO FURNISH A FORM IN THE MANNER, AT THE TIME AND  
25 SHOWING THE INFORMATION REQUIRED BY SECTION [335(F)] 317.1  
26 SHALL, FOR EACH SUCH FAILURE, BE SUBJECT TO A PENALTY OF FIFTY  
27 DOLLARS (\$50).

28 (6) ANY PERSON REQUIRED TO FILE AN ANNUAL STATEMENT WITH THE  
29 DEPARTMENT UNDER THE PROVISIONS OF SECTION [324.5] 323.1 WHO  
30 WILFULLY FURNISHES A FALSE OR FRAUDULENT STATEMENT OR WHO

1 WILFULLY FAILS TO FILE THE STATEMENT IN THE MANNER, AT THE TIME  
2 AND SHOWING THE INFORMATION REQUIRED UNDER SECTION [324.5] 323.1  
3 AND THE REGULATIONS PRESCRIBED UNDER SECTION [324.5] 323.1  
4 SHALL, FOR EACH SUCH FAILURE, BE SUBJECT TO A PENALTY OF FIFTY  
5 DOLLARS (\$50).

6 [(7) ANY PERSON REQUIRED UNDER THE PROVISIONS OF SECTION  
7 324.5 TO FURNISH AN ANNUAL STATEMENT TO A LESSOR WHO WILFULLY  
8 FURNISHES A FALSE OR FRAUDULENT STATEMENT OR WHO WILFULLY FAILS  
9 TO FURNISH A STATEMENT IN THE MANNER, AT THE TIME AND SHOWING  
10 THE INFORMATION REQUIRED BY SECTION 324.5 AND THE REGULATIONS  
11 PRESCRIBED UNDER SECTION 324.5 SHALL, FOR EACH SUCH FAILURE, BE  
12 SUBJECT TO A PENALTY OF FIFTY DOLLARS (\$50).]

13 (H) [IF] EXCEPT AS OTHERWISE PROVIDED IN PART VII, IF ANY  
14 AMOUNT OF TAX REQUIRED TO BE WITHHELD BY [AN EMPLOYER] A PERSON  
15 AND PAID OVER TO THE DEPARTMENT UNDER SECTION 319 OR 319.1 IS  
16 NOT PAID ON OR BEFORE THE DUE DATE PRESCRIBED FOR FILING THE  
17 QUARTERLY RETURN UNDER SECTION 318 OR 318.1, DETERMINED WITHOUT  
18 REGARD TO AN EXTENSION OF TIME FOR FILING, THERE SHALL BE ADDED  
19 TO THE TAX AND PAID TO THE DEPARTMENT EACH MONTH FIVE PER CENT  
20 OF SUCH UNDERPAYMENT FOR EACH MONTH OR FRACTION THEREOF FROM THE  
21 DUE DATE, FOR THE PERIOD FROM THE DUE DATE TO THE DATE PAID; BUT  
22 THE UNDERPAYMENT SHALL, FOR PURPOSES OF COMPUTING THE ADDITION  
23 FOR ANY MONTH, BE REDUCED BY THE AMOUNT OF ANY PART OF THE TAX  
24 WHICH IS PAID BY THE BEGINNING OF THAT MONTH. THE TOTAL OF SUCH  
25 ADDITIONS SHALL NOT EXCEED FIFTY PER CENT OF THE AMOUNT OF TAX  
26 REQUIRED TO BE SHOWN ON THE RETURN REDUCED BY THE AMOUNT OF ANY  
27 PART OF THE TAX WHICH IS PAID BY THE RETURN DUE DATE AND BY THE  
28 AMOUNT OF ANY CREDIT AGAINST THE TAX WHICH MAY BE CLAIMED ON THE  
29 RETURN.

30 \* \* \*

1 (J) IF ANY AMOUNT OF TAX REQUIRED TO BE WITHHELD BY A  
2 PARTNERSHIP, ASSOCIATION[, ] OR PENNSYLVANIA S CORPORATION [OR  
3 LESSEE] AND PAID OVER TO THE DEPARTMENT UNDER SECTION 324 [OR  
4 324.4] IS NOT PAID ON OR BEFORE THE DATE PRESCRIBED THEREFOR,  
5 THERE SHALL BE ADDED TO THE TAX AND PAID TO THE DEPARTMENT EACH  
6 MONTH FIVE PER CENT OF SUCH UNDERPAYMENT FOR EACH MONTH OR  
7 FRACTION THEREOF FROM THE DUE DATE, FOR THE PERIOD FROM THE DUE  
8 DATE TO THE DATE PAID; BUT THE UNDERPAYMENT SHALL, FOR PURPOSES  
9 OF COMPUTING THE ADDITION FOR ANY MONTH, BE REDUCED BY THE  
10 AMOUNT OF ANY PART OF THE TAX WHICH IS PAID BY THE BEGINNING OF  
11 THAT MONTH. THE TOTAL OF SUCH ADDITIONS SHALL NOT EXCEED FIFTY  
12 PER CENT OF THE AMOUNT OF SUCH TAX.

13 SECTION 12. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.