

HB 788 -- Redline

Printer's No. 2871 to Printer's No. 0809 -- An Act amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, in mutual thrift institutions tax, further providing for imposition, report and payment of tax and exemptions.

Deletions ~~struck~~ · Insertions underlined

~~PRIOR~~ PRINTER'S NO.

809 ~~PRINTER'S~~ THE NO-GENERAL ASSEMBLY OF PENNSYLVANIA HOUSE BILL Session of No.

2871788 THE 2025 GENERAL INTRODUCED ASSEMBLY BY OF MERSKI, PENNSYLVANIA GREINER, HOUSE HARKINS, BILL ROWE, Session SANCHEZ, ZIMMERMAN AND MENTZER, MARCH 3, 2025 REFERRED TO COMMITTEE ON FINANCE, MARCH 3, 2025 AN ACT Amending the act of No- March 4, 1971 (P.L.6, No.2), entitled "An act relating to tax reform and State taxation by codifying and enumerating certain subjects of taxation and imposing taxes thereon;

788 providing 2025 procedures INTRODUCED for BY MERSKI, GREINER, HARKINS, ROWE, SANCHEZ, ZIMMERMAN, MENTZER, KEPHART, RYNCAVAGE, ROSSI AND KUTZ, MARCH 3, 2025 AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, FEBRUARY 4, 2026 AN ACT Amending the act payment, of for March 4, 1971 (P.L.6, No.2), entitled "An act relating to tax reform credits and in State certain taxation cases; by codifying taxes thereon;

providing conferring procedures powers for and viding imposing duties upon the payment, osing Department collection, of administration Revenue, certain employers, fiduciaries, individuals, persons, corporations and enforcement other thereof; entities;

providing for tax credits in certain cases;

conferring powers and imposing duties upon the Department of Revenue, certain employers, fiduciaries, individuals, persons, corporations and other entities;

Section 1502(a) and (d)(2) of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, are amended ~~AND SUBSECTION (D) IS AMENDED BY ADDING A PARAGRAPH to~~ ~~read:~~

Exemptions.--(a) Every institution shall annually, by April 15 of each year beginning in the year 1984, make a report to the Department of Revenue, setting forth the entire amount of taxable net income received or accrued by said institution from all sources during the preceding year, and such other information as the department may require, and upon such taxable net income the said institution shall pay into the State Treasury, through the Department of Revenue, for the use of the Commonwealth, a State excise tax at the rate of eleven and one-half per cent for the calendar years 1983, 1984, 1985 and 1986 and fiscal years beginning in 1983, 1984, 1985 and 1986, at the rate of twenty per cent for calendar years 1987, 1988, 1989 and 1990 and fiscal years beginning in 1987, 1988, 1989 and 1990 and at the rate of twelve and one-half per cent for calendar year 1991 and fiscal years beginning in 1991 and at the rate of eleven and one-half per cent for calendar year 1992 ~~and~~ and each ~~calendar year thereafter]~~ thereafter and fiscal years beginning in 1992 ~~and~~ and each fiscal year ~~thereafter]~~ thereafter upon such annual taxable net ~~income~~ income, for the privilege of doing business in the Commonwealth.

The annual rate of the tax imposed by this section ~~UPON THE TAXPAYER'S ANNUAL INCOME FOR THE PRIVILEGE OF DOING BUSINESS IN THIS COMMONWEALTH~~ for taxable years beginning for the calendar year or fiscal year on or after the dates specified shall be as follows:

Taxable Year Tax Rate January 1, 2025, ~~through~~ through December 31, 2025 8.99% January 1, 2026, through December 31, 2026 8.55% January 1, 2027, through December ~~20250HB0788PN2871 - 2 -~~ 31, 2027 7.95% January 1, 2028, through December 31, 2028 7.45% 20250HB0788PN0809 - 2 - January 1, 2029, through December 31, 2029 6.95% January 1, 2030, through December 31, 2030 6.45% January 1, 2031, through December 31, 2031 5.95% January 1, 2032, through December 31, 2032 5.45% January 1, 2033, and each taxable year thereafter 4.99% Every institution shall be required to make payment of estimated tax pursuant to the provisions of sections 3003.2, 3003.3 and 3003.4 of Article XXX for taxable years beginning after December 31, 1991.

* * * (d) * * * ~~(1.1)~~ (2) A [The] NET Beginning LOSS with FOR calendar A year TAXABLE 2026 YEAR and MAY fiscal ONLY years BE beginning CARRIED in OVER 2026, the 20250HB0788PN2871 net loss carryover deduction for a taxable year shall be that amount which is the sum of any net losses for the preceding [three] ten taxable years, beginning with the earliest year, to the extent that any such net loss has 20250HB0788PN0809 - 3 - PURSUANT not TO previously THE been FOLLOWING allowed SCHEDULE as a deduction in a prior taxable year, except that the deduction shall not exceed the amount of the net income for the current year determined after apportionment.

~~TAXABLE YEAR CARRYOVER 2025 AND EARLIER 3 TAXABLE YEARS 2026 AND THEREAFTER 6 TAXABLE YEARS (2) [The] Beginning with calendar year 2026 and fiscal years beginning in 2026, the net loss carryover deduction for a taxable year shall be that amount which is the sum of any net losses for the [preceding [three] ten taxable years, beginning with the earliest year, to the extent that any such net loss has not previously been allowed as a deduction in a prior taxable year, except that the deduction shall not exceed the amount of the net income for the current year determined after apportionment.~~

~~20250HB0788PN2871~~ 20250HB0788PN0809 - 4 -

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