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SENATE AMENDED

PRIOR PRINTER'S NO. 1444 PRINTER'S NO. 3500

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1232 Session of 2019

INTRODUCED BY DUNBAR, MILLARD, WHEELAND, GROVE, PICKETT, GAYDOS, LAWRENCE AND MENTZER, APRIL 16, 2019

SENATOR BROWNE, APPROPRIATIONS, IN SENATE, RE-REPORTED AS AMENDED, MARCH 25, 2020

AN ACT

Amending the act of April 9, 1929 (P.L.343, No.176), entitled~~,~~ <-- ~~as amended,~~ "An act relating to the finances of the State government; providing for cancer control, prevention and research, for ambulatory surgical center data collection, for the Joint Underwriting Association, for entertainment business financial management firms, for private dam financial assurance and for reinstatement of item vetoes; providing for the settlement, assessment, collection, and lien of taxes, bonus, and all other accounts due the Commonwealth, the collection and recovery of fees and other money or property due or belonging to the Commonwealth, or any agency thereof, including escheated property and the proceeds of its sale, the custody and disbursement or other disposition of funds and securities belonging to or in the possession of the Commonwealth, and the settlement of claims against the Commonwealth, the resettlement of accounts and appeals to the courts, refunds of moneys erroneously paid to the Commonwealth, auditing the accounts of the Commonwealth and all agencies thereof, of all public officers collecting moneys payable to the Commonwealth, or any agency thereof, and all receipts of appropriations from the Commonwealth, authorizing the Commonwealth to issue tax anticipation notes to defray current expenses, implementing the provisions of section 7(a) of Article VIII of the Constitution of Pennsylvania authorizing and restricting the incurring of certain debt and imposing penalties; affecting every department, board, commission, and officer of the State government, every political subdivision of the State, and certain officers of such subdivisions, every person, association, and corporation required to pay, assess, or collect taxes, or to make returns or reports under the laws imposing taxes for State purposes, or to pay license fees or

other moneys to the Commonwealth, or any agency thereof, every State depository and every debtor or creditor of the Commonwealth," PROVIDING FOR EMERGENCY FINANCE AND TAX PROVISIONS; in additional special funds, providing for COVID-19 RESPONSE TRANSFERS AND FOR the Enhanced Revenue Collection Account; in 2018-2019 budget implementation, further providing for Department of Revenue; and making an editorial change. <-- <-- <--

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

~~Section 1. The heading of Article XVII A.1 of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, is amended to read:~~ <--

SECTION 1. THE ACT OF APRIL 9, 1929 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE, IS AMENDED BY ADDING AN ARTICLE TO READ: <--

ARTICLE I-A

EMERGENCY FINANCE AND TAX PROVISIONS

SECTION 101-A. DECLARATION OF POLICY.

THE GENERAL ASSEMBLY FINDS AND DECLARES AS FOLLOWS:

(1) THERE ARE CIRCUMSTANCES UNDER WHICH IT IS IMPOSSIBLE TO EFFECTIVELY COMPLY WITH LAW RELATING TO STATE FINANCE OR STATE TAX.

(2) WHEN CIRCUMSTANCES UNDER PARAGRAPH (1) ARISE, IT IS NECESSARY FOR COMMONWEALTH AGENCIES TO EXERCISE TEMPORARY POWERS AND DUTIES SET FORTH IN THIS ARTICLE.

SECTION 102-A. DEPARTMENT OF REVENUE.

(A) SCOPE.--THIS SECTION PROVIDES TEMPORARY AUTHORITY TO THE DEPARTMENT OF REVENUE TO DEAL WITH STATE TAXATION DURING THE STATE OF DISASTER EMERGENCY ANNOUNCED BY THE GOVERNOR'S MARCH 6, 2020, PROCLAMATION OF DISASTER EMERGENCY.

(B) FILING AND PAYMENT DEADLINES.--DURING THE STATE OF DISASTER EMERGENCY UNDER SUBSECTION (A), ALL OF THE FOLLOWING APPLY:

(1) THE DEPARTMENT SHALL EXTEND FILING AND PAYMENT

DEADLINES UNDER SECTIONS 325(D), (E), (F) AND (H), 326, 330.1(B) AND 335(C)(1), (D), (E) AND (F)(1) OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, AND RELATED STATUTORY AND REGULATORY PROVISIONS SO THAT THE DEADLINES COINCIDE WITH THE FILING DEADLINE FOR A TAX RETURN AND PAYMENT UNDER SECTION 330 OF THE TAX REFORM CODE OF 1971.

(2) THE DEPARTMENT SHALL DISREGARD THE PERIOD AFTER APRIL 14, 2020, AND BEFORE JULY 16, 2020, IN THE CALCULATION OF INTEREST, A PENALTY OR AN ADDITION TO TAX FOR FAILURE TO MEET THE EXTENDED DEADLINE UNDER PARAGRAPH (1).

(C) EXPIRATION.--THIS SECTION SHALL EXPIRE JULY 31, 2020.

SECTION 103-A. DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT.

(A) SCOPE.--THIS SECTION PROVIDES TEMPORARY AUTHORITY TO THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT TO DEAL WITH LOCAL TAXATION DURING THE STATE OF DISASTER EMERGENCY ANNOUNCED BY THE GOVERNOR'S MARCH 6, 2020, PROCLAMATION OF DISASTER EMERGENCY.

(B) LOCAL TAXATION.--DURING THE STATE OF DISASTER EMERGENCY UNDER SUBSECTION (A), THE DEPARTMENT SHALL COORDINATE WITH THE GOVERNING BODIES AND LOCAL AGENCIES OF POLITICAL SUBDIVISIONS TO DO ALL OF THE FOLLOWING:

(1) EXTEND FILING AND PAYMENT DEADLINES FOR LOCAL TAXES UNDER CHAPTER 5 OF THE ACT OF DECEMBER 31, 1965 (P.L.1257, NO.511), KNOWN AS THE LOCAL TAX ENABLING ACT, AND RELATED STATUTORY PROVISIONS, ORDINANCES AND RESOLUTIONS SO THAT THE DEADLINES COINCIDE WITH THE FILING DEADLINE FOR A TAX RETURN AND PAYMENT UNDER SECTION 330 OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971.

(2) DISREGARD THE PERIOD AFTER APRIL 14, 2020, AND BEFORE JULY 16, 2020, IN THE CALCULATION OF INTEREST, A PENALTY OR AN ADDITION TO TAX FOR FAILURE TO MEET THE EXTENDED DEADLINE UNDER PARAGRAPH (1).

(C) EXPIRATION.--THIS SECTION SHALL EXPIRE JULY 31, 2020.

SECTION 1.1. THE HEADING OF ARTICLE XVII-A.1 OF THE ACT IS AMENDED TO READ:

ARTICLE XVII-A.1

ADDITIONAL SPECIAL FUNDS AND RESTRICTED ACCOUNTS

SECTION 1.2. SUBARTICLE D OF ARTICLE XVII-A.1 IS AMENDED BY ADDING SECTIONS TO READ: <--

SECTION 1735-A.1. COVID-19 RESPONSE TRANSFERS FOR ASSISTANCE TO THE COMMONWEALTH'S HEALTH CARE SYSTEM.

(A) TRANSFERS.--NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE CONTRARY, THE SECRETARY OF THE BUDGET MAY TRANSFER THE SUM OF $50,000,000 FROM SPECIAL FUNDS UNDER THE GOVERNOR'S JURISDICTION TO A RESTRICTED ACCOUNT AS PROVIDED UNDER SUBSECTION (B). THESE FUNDS SHALL BE USED TO ACQUIRE MEDICAL EQUIPMENT AND SUPPLIES FOR HEALTH CARE ENTITIES TO MEET URGENT PATIENT AND STAFF NEEDS TO ADDRESS SURGE DEMAND. HEALTH CARE ENTITIES SHALL INCLUDE, BUT NOT BE LIMITED TO, HOSPITALS, NURSING FACILITIES AND EMERGENCY MEDICAL SERVICES.

(B) DEPOSIT.--THE FUNDS TRANSFERRED UNDER SUBSECTION (A) SHALL BE DEPOSITED BY THE SECRETARY OF THE BUDGET INTO A RESTRICTED ACCOUNT WITHIN THE GENERAL FUND OF THE STATE TREASURY AS NECESSARY TO MAKE PAYMENTS UNDER THIS SECTION AND, WHEN TRANSFERRED, ARE HEREBY APPROPRIATED TO CARRY OUT THE PROVISIONS OF THIS SECTION RELATED TO THE COMMONWEALTH'S COVID-19 RESPONSE.

(C) DEFICIT.--THE SECRETARY OF THE BUDGET MAY NOT MAKE A TRANSFER OF FUNDS IF THE TRANSFER WOULD RESULT IN A DEFICIT IN

ANY OF THE FUNDS.

(D) AUTHORIZATION.--THE SECRETARY OF THE BUDGET SHALL ONLY BE AUTHORIZED TO MAKE TRANSFERS UNDER SUBSECTION (A) TO THE EXTENT THAT FUNDING AUTHORIZED BY THE FEDERAL GOVERNMENT AND THE GOVERNOR'S DISASTER PROCLAMATION ARE INSUFFICIENT TO MEET THE NEEDS OF THE COMMONWEALTH'S COVID-19 RESPONSE.

(E) NOTIFICATION.--THE SECRETARY OF THE BUDGET SHALL PROVIDE NOTIFICATION TO THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF THE SENATE AND THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES 24 HOURS PRIOR TO MAKING ANY TRANSFERS UNDER SUBSECTION (A). THE NOTIFICATION SHALL INCLUDE THE NAME OF THE SPECIAL FUND AND THE DOLLAR AMOUNT TO BE TRANSFERRED.

(F) REPORT.--BEGINNING JUNE 1, 2020, AND THE FIRST DAY OF EACH MONTH THEREAFTER, THE SECRETARY OF THE BUDGET SHALL PROVIDE A REPORT DETAILING ALL SPENDING RELATED TO THE COVID-19 RESPONSE THE COMMONWEALTH HAS MADE DURING THE PRECEDING MONTH, INCLUDING ANY FUNDING MADE AVAILABLE THROUGH THE FEDERAL GOVERNMENT, THE GOVERNOR'S DISASTER PROCLAMATION, AN AGENCY BUDGET OR THE TRANSFERS UNDER THIS SECTION. THE REPORT SHALL INCLUDE THE RECIPIENT, THE DOLLAR AMOUNT AND A DETAILED EXPLANATION OF THE PURPOSE OF THE SPENDING. THE SECRETARY OF THE BUDGET SHALL PROVIDE THE REPORT TO THE MAJORITY LEADER AND MINORITY LEADER OF THE SENATE, THE MAJORITY LEADER AND MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES, THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF THE SENATE AND THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

(G) EXPIRATION.--THE AUTHORITY TO TRANSFER FUNDS UNDER SUBSECTION (A) SHALL EXPIRE ON SEPTEMBER 30, 2020.

(H) DEFINITIONS.--AS USED IN THIS SECTION, THE TERM "COVID-19" SHALL MEAN THE NOVEL CORONAVIRUS AS IDENTIFIED IN THE GOVERNOR'S PROCLAMATION OF DISASTER EMERGENCY ISSUED ON MARCH 6, 2020.

SECTION 1736-A.1. EXTENSION OF TEMPORARY REGULATIONS.

NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE TEMPORARY REGULATIONS AUTHORIZED AND PUBLISHED UNDER SECTIONS 1107 AND 2004 OF THE ACT OF APRIL 17, 2016 (P.L.84, NO.16), KNOWN AS THE MEDICAL MARIJUANA ACT, SHALL REMAIN IN EFFECT AND SHALL NOT EXPIRE UNTIL NOVEMBER 20, 2021, OR UPON THE PUBLICATION OF THE FINAL-FORM REGULATIONS BY THE DEPARTMENT OF HEALTH, WHICHEVER IS SOONER.

Section 2. Article XVII-A.1 of the act is amended by adding a subarticle to read:

SUBARTICLE G

ENHANCED REVENUE COLLECTION ACCOUNT

Section 1761-A.1. Definitions.

The following words and phrases when used in this subarticle shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Account." The Enhanced Revenue Collection Account continued under section 1762-A.1.

"Department." The Department of Revenue of the Commonwealth.

Section 1762-A.1. Enhanced Revenue Collection Account.

The Enhanced Revenue Collection Account is continued as a restricted account within the General Fund. Revenues collected and the amount of refunds avoided as a result of expanded tax return reviews and tax collection activities by the department shall be deposited into the account.

Section 1763-A.1. Use of account.

(a) Appropriation.--The General Assembly may appropriate money in the account to the department to fund the costs associated with expanded tax return reviews and tax collection activities.

(b) Return.--Except for amounts appropriated under subsection (a), money in the account shall be returned proportionately to the General Fund revenue or refund accounts that were the source of the money no later than the 28th day of each month of the fiscal year.

Section 1764-A.1. Report.

The department shall issue a report to the Governor, the chairperson and minority chairperson of the Appropriations Committee of the Senate and the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives by June ~~1~~ 5, 2020, and each June 1 thereafter, with the following information: <--

(1) A detailed breakdown of the department's administrative costs in implementing expanded tax return reviews and tax collection activities.

(2) The amount of revenue collected and the amount of refunds avoided as a result of the expanded tax return reviews and tax collection activities, including the type of tax generating the revenue and avoided refunds.

Section 3. Section 1730-H of the act, repealed and added June 22, 2018 (P.L.281, No.42) AND AMENDED JUNE 28, 2019 (P.L.173, NO.20), is ~~amended~~ REENACTED to read: <--

Section 1730-H. Department of Revenue.

The following apply to appropriations for the Department of Revenue:

(1) The Enhanced Revenue Collection Account shall

continue as a restricted account within the General Fund through fiscal year ~~[2019-2020] 2018-2019~~ 2018-2019. Revenues collected and the amount of refunds avoided as a result of expanded tax return reviews and tax collection activities shall be deposited into the restricted account. The following shall apply: <--

(i) Of the money transferred under this paragraph in the account, for fiscal years 2018-2019 ~~[and 2019-2020]~~, up to $30,000,000 is appropriated to the department to fund the costs associated with expanded tax return reviews and tax collection activities. The balance of the money in the account shall be returned proportionately to the General Fund revenue or refund accounts that were the source of the money no later than the 28th day of each month of the fiscal year. <--

(ii) The department shall issue a report to the Governor, the chairperson and the minority chairperson of the Appropriations Committee of the Senate and the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives by June 1, 2019, ~~[and by each June 1 thereafter,]~~ with the following information: <--

(A) A detailed breakdown of the department's administrative costs in implementing expanded tax return reviews and tax collection activities.

(B) The amount of revenue collected and the amount of refunds avoided as a result of the expanded tax return reviews and tax collection activities, including the type of tax generating the revenue and avoided refunds.

(2) (Reserved).

Section 4. This act shall take effect ~~July 1, 2019, or immediately, whichever occurs later.~~ AS FOLLOWS: <--

(1) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT IMMEDIATELY:

(I) THE ADDITION OF ARTICLE I-A OF THE ACT.

(II) THIS SECTION.

(2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT JULY 1, 2019, OR IMMEDIATELY, WHICHEVER OCCURS LATER.