

## STATE TAX SUMMARY: DECEMBER 2019

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### Tax Reform Code Changes

**Act 90 of 2019 (HB 17)** – Act 90 made the following changes to the Tax Reform Code:

- **Time Period for Collection of Assessed Taxes:** Beginning January 1, 2021, the time period for collection of taxes owed to the commonwealth is ten years from the date of the settlement, determination, or assessment of the tax — except in cases of fraud or willfully failing to file a return. The statute of repose applies to all commonwealth taxes except Inheritance Tax.
- **Strengthening of Criminal Tax Enforcement:** Act provides the department additional time for investigation, development, and prosecution of quality cases focusing on those who are stealing “trust fund” taxes. Provision is effective immediately.
- **Financial Institution Data Match Program:** Act 85 of 2012 provided the department with the authority to conduct administrative bank attachments for purposes of delinquent tax collection. Act 90 updates the bank attachment process by authorizing the department to enter into agreements with financial institutions to electronically share certain bank account information of delinquent taxpayers for the purposes of tax collection. Changes are effective January 26, 2020.
- **Sales and Use Tax Exemption:** Beginning November 27, 2019 the sale at retail or use by a financial institution of canned computer software directly utilized in conducting the business of banking is excluded from Sales and Use Tax. The term “financial institution” means an institution doing business in the commonwealth subject to the Bank and Trust Company Shares Tax or the Mutual Thrift Institutions Tax.

### State Lottery Law Changes

**Act 97 of 2019 (HB 956)** – Act 97 made the following change to the State Lottery Law:

- **Lottery Rate of Return:** For fiscal years beginning after June 30, 2019, and ending June 30, 2024, the mandated minimum rate of return on revenues accruing from the sale of lottery tickets is temporarily reduced from 25% to 20%. For fiscal years beginning after June 30, 2024, the rate returns to 25%.

### Transit Revitalization Investment District Act Changes

**Act 101 of 2019 (HB 1410)** – Act 101 made the following change to the Transit Revitalization Investment District Act:

- **Military Installation Remediation Projects:** Beginning November 27, 2019, state tax revenue resulting from the development of a qualified former military installation and nearby parcels is directed to a qualified municipal authority created to fund military installation remediation projects.