October 8, 2018

Re: Please Support A09950 to House Bill 2413

Dear Chairmen O’Neill and Wheatley,

The Pennsylvania Institute of Certified Public Accountants (PICPA) requests your support for Amendment 09950 to House Bill 2413, sponsored by Rep. Keith Greiner, which is scheduled for the House Finance Committee on Tues., Oct. 9.

Act 43 of 2017 created a withholding obligation for certain payors of Pennsylvania-source income and lessees of Pennsylvania real estate to non-residents and also expanded the requirements with respect to when a copy of Federal Form 1099-MISC is required to be filed with the Pennsylvania Department of Revenue.

Most taxpayers are trying to be good corporate citizens and comply with the new requirement; however, compliance with the new withholding provisions has been costly, as taxpayers have had to implement procedures and modify their systems to comply. As practitioners who are advising clients on the implementation of the new withholding provisions, the PICPA has run across a number of recurring issues that need to be addressed through corrective legislation.

Rep. Greiner’s amendment (A09950) to HB 2413 addresses many concerns raised by businesses and tax practitioners regarding the new withholding requirement. The amendment addresses obligations on persons and entities withholding tax, methodology for determining how much tax to withhold, apportionment of Pennsylvania income formula and other various technical corrections.


Thank you for your consideration, and please do not hesitate to contact me with questions or concerns.

Peter

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Understand the Impact of the Tax Cuts and Jobs Act in Pennsylvania at PICPA’s Federal Tax Reform Webinar on Oct. 25.

The opinions expressed herein are my own, and do not reflect those of the Pennsylvania Institute of Certified Public Accountants, or the Institute/Foundation’s officers, members or employees.