



John M. Callahan
Director, Government Affairs

April 29, 2010

The Honorable Patrick Browne
Senate of Pennsylvania
PO Box 203016
Room 459 Main Capitol Building
Harrisburg, PA 17120-3016

Dear Senator Browne:

The Pennsylvania Chamber of Business and Industry respectfully requests you support Senate Bill 1255 sponsored by Senator Patrick Browne. Senate Bill 1255 will be considered by the Senate Finance Committee on Monday, May 3, 2010 at 12:00 noon.

The legislation would replace the semi-monthly sales tax return requirement established by Act 48 of 2009 with a single monthly return that includes both an estimated tax for the current month and a true-up payment for the prior month tax. This new process would alleviate the costly and burdensome method created by Act 48, which made Pennsylvania the only state in the country to require two sales tax returns per month.

By way of background, under Act 48, the semi-monthly sales tax return system will not be implemented until May 21, 2011. If semi-monthly filing is implemented, Pennsylvania businesses will have the shortest deadline of any state to file and remit sales tax, just 10 days to file each return. Further, the Department of Revenue and businesses will perform double the work to process semi-monthly returns. Lastly, multi-state taxpayers will have to develop and pay for systems to process and properly remit two tax returns per month.

States that currently require two remittances are moving to or have adopted remittance systems that require a filer to remit one payment that includes the estimated tax for the current month and a true-up payment for the prior month. These "estimated payment" systems have been adopted by Alabama, Florida, Georgia, Kansas, New York, Oklahoma and Texas.

Act 48's semi-monthly remittance requirement is expected to increase state revenue collections because of the accelerated timeline of remittance. An "estimated payment system" will continue to provide the state with accelerated and increased revenue collections.

Browne has developed a rational, sensible approach that addresses both the revenue and compliance aspects of semi-monthly filing. The PA Chamber respectfully urges your support of this important initiative.

If you have any questions or concerns, please do not hesitate to contact me at 717 720-5431 or jcallahan@pachamber.com.

Sincerely,

John M. Callahan