

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 905

Session of  
1985

INTRODUCED BY E. Z. TAYLOR, AFFLERBACH, HAGARTY, PETRARCA,  
ACOSTA, J. J. TAYLOR, FISCHER, HERSHEY, HALUSKA, REBER,  
NAHILL, ARTY, GEIST, FOX, SEMMEL, HARPER, CIVERA, FREIND AND  
RICHARDSON, APRIL 16, 1985

REFERRED TO COMMITTEE ON FINANCE, APRIL 16, 1985

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An  
2 act relating to tax reform and State taxation by codifying  
3 and enumerating certain subjects of taxation and imposing  
4 taxes thereon; providing procedures for the payment,  
5 collection, administration and enforcement thereof; providing  
6 for tax credits in certain cases; conferring powers and  
7 imposing duties upon the Department of Revenue, certain  
8 employers, fiduciaries, individuals, persons, corporations  
9 and other entities; prescribing crimes, offenses and  
10 penalties," providing for an exclusion from the Pennsylvania  
11 personal income tax of earnings expended for child care.

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

14 Section 1. Section 303(a)(1) of the act of March 4, 1971  
15 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended  
16 March 13, 1974 (P.L.179, No.32), is amended to read:

17 Section 303. Classes of Income.--(a) The classes of income  
18 referred to above are as follows:

19 (1) Compensation. All salaries, wages, commissions, bonuses  
20 and incentive payments whether based on profits or otherwise,  
21 fees, tips and similar remuneration received for services

1 rendered whether directly or through an agent and whether in  
2 cash or in property except income derived from the United States  
3 Government for active duty outside the Commonwealth of  
4 Pennsylvania as a member of its armed forces. Notwithstanding  
5 the foregoing, an amount equal to any expenses incurred by a  
6 personal legally responsible for the care of any children, for  
7 the care of those children during any period of time said person  
8 is engaged in performing services in connection with his  
9 employment, whether that care be in-home or at any licensed  
10 Pennsylvania child care facility, shall be excluded from income  
11 taxed as compensation.

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13 Section 2. The Department of Revenue shall promulgate rules  
14 and regulations to carry out the provisions of this act and  
15 shall undertake to inform the public of this provision.

16 Section 3. This act shall take effect January 1, 1986.