

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 932 Session of
2001

INTRODUCED BY GREENLEAF, LEMMOND, COSTA, ERICKSON, GERLACH,
O'PAKE, SCHWARTZ, TARTAGLIONE AND WAUGH, JUNE 7, 2001

REFERRED TO FINANCE, JUNE 7, 2001

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," excluding unreimbursed child and dependent care
11 expenses from compensation.

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. (i) All salaries, wages, commissions,
20 bonuses and incentive payments whether based on profits or
21 otherwise, fees, tips and similar remuneration received for
22 services rendered whether directly or through an agent and

1 whether in cash or in property except income derived from the
2 United States Government for active duty outside the
3 Commonwealth of Pennsylvania as a member of its armed forces.

4 (ii) Notwithstanding any other provision of this act,
5 unreimbursed child and dependent care expenses which are used in
6 calculating the Federal child and dependent care credit in
7 accordance with section 21 of the Internal Revenue Code of 1986
8 (Public Law 99-514, 26 U.S.C. § 1 et seq.) shall be excluded
9 from the definition of the term "compensation" provided that the
10 taxpayer submits a copy of the requisite Federal tax form on
11 which the child and dependent care expenses are claimed when
12 filing the tax return under section 330.

13 * * *

14 Section 2. This act shall apply to the tax year beginning
15 January 1, 2002, and each tax year thereafter.

16 Section 3. This act shall take effect immediately.