

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1438 Session of
1997

INTRODUCED BY PIPPY, MARKOSEK, BOYES, STERN, STEVENSON, HABAY,
ORIE, TRELLO, LAUGHLIN, FARGO, ROSS, ARMSTRONG, STEELMAN,
GANNON, SERAFINI, NAILOR, ALLEN, BROWN, L. I. COHEN, LEH,
McCALL, KENNEY, BENNINGHOFF, ROONEY, EGOLF, RAYMOND,
E. Z. TAYLOR, COY, MAITLAND, LYNCH AND PETRONE, MAY 1, 1997

REFERRED TO COMMITTEE ON FINANCE, MAY 1, 1997

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," further providing for additional deductions; and
11 making an editorial change.

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

14 Section 1. Section 401(3)1(c) of the act of March 4, 1971
15 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended
16 December 23, 1983 (P.L.370, No.90), is amended to read:

17 Section 401. Definitions.--The following words, terms, and
18 phrases, when used in this article, shall have the meaning
19 ascribed to them in this section, except where the context
20 clearly indicates a different meaning:

21 * * *

1 (3) "Taxable income." 1. * * *

2 (c) Further additional deductions shall be allowed from
3 taxable income in an amount equal to the amount of any reduction
4 in an employer's deduction for wages and salaries as a result of
5 the employer taking a credit for ["new jobs"] its FICA tax
6 obligation on its employees' tips or "targeted jobs" pursuant to
7 section [44B] 45B or section 51 of the Internal Revenue Code.

8 * * *

9 Section 2. This act shall apply to tax years beginning on or
10 after January 1, 1997.

11 Section 3. This act shall take effect immediately.