

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1333 Session of
2005

INTRODUCED BY MELIO, BARRAR, BELFANTI, BIANCUCCI, CALTAGIRONE,
CREIGHTON, FREEMAN, GEIST, GEORGE, GRUCELA, JOSEPHS,
McGEEHAN, PETRARCA, SATHER, TANGRETTI, WANSACZ, ROBERTS,
ROONEY, GOOD, JAMES, MARKOSEK, McILHATTAN, READSHAW, SHANER,
WALKO AND YOUNGBLOOD, APRIL 12, 2005

REFERRED TO COMMITTEE ON FINANCE, APRIL 12, 2005

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 in personal income tax for
11 classes of income.

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

14 Section 1. Section 303(a)(3) of the act of March 4, 1971
15 (P.L.6, No.2), known as the Tax Reform Code of 1971, is amended
16 by adding a subparagraph to read:

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

19 * * *

20 (3) Net gains or income from disposition of property. Net
21 gains or net income, less net losses, derived from the sale,

1 exchange or other disposition of property, including real
2 property, tangible personal property, intangible personal
3 property or obligations issued on or after the effective date of
4 this amendatory act by the Commonwealth; any public authority,
5 commission, board or other agency created by the Commonwealth;
6 any political subdivision of the Commonwealth or any public
7 authority created by any such political subdivision; or by the
8 Federal Government as determined in accordance with accepted
9 accounting principles and practices. For the purpose of this
10 article:

11 * * *

12 (viii) The term "net gains or net income, less net losses,"
13 shall not include any gain or loss from the sale, exchange or
14 other disposition of the taxpayer's individual retirement
15 account, as that term is defined in section 408 of the Internal
16 Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 408).

17 * * *

18 Section 2. This act shall take effect in 60 days.