

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2592 Session of
2006

INTRODUCED BY ARMSTRONG, BALDWIN, BEYER, BOYD, CALTAGIRONE,
CAPPELLI, CRAHALLA, CREIGHTON, FAIRCHILD, GOODMAN, HARHAI,
HASAY, JAMES, KAUFFMAN, KILLION, MANN, MARKOSEK, McILHATTAN,
MUSTIO, RAPP, ROHRER, SAINATO, SAYLOR, SEMMEL, SOLOBAY,
TURZAI, WANSACZ AND YOUNGBLOOD, APRIL 24, 2006

REFERRED TO COMMITTEE ON FINANCE, APRIL 24, 2006

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 contributions to a 401(k) or deferred
11 compensation plan from compensation.

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

14 Section 1. Section 303(a)(1)(iv) of the act of March 4, 1971
15 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended
16 July 7, 2005 (P.L.149, No.40), 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.

20 * * *

21 (iv) For purposes of determining when deferred compensation

1 of employees of exempt organizations and State and local
2 governments is required to be included in income, the following
3 apply:

4 (A) The rules of sections 83, 451 and 457 of the Internal
5 Revenue Code of 1986, as amended, shall apply.

6 (B) The rules of section 409A of the Internal Revenue Code
7 of 1986, as amended, shall apply.

8 (C) The rules of section 401(k) of the Internal Revenue Code
9 of 1986, as amended, shall apply.

10 * * *

11 Section 2. This act shall apply to the tax year beginning
12 January 1, 2006, and each tax year thereafter.

13 Section 3. This act shall take effect immediately.