

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 154 Session of 2011

INTRODUCED BY PAYNE, GRELL, GROVE, GEIST, FLECK, MILLER, PYLE,
ROCK, SCAVELLO, SWANGER AND VULAKOVICH, JANUARY 21, 2011

REFERRED TO COMMITTEE ON FINANCE, JANUARY 21, 2011

AN ACT

1 Amending the act of June 27, 2006 (1st Sp.Sess., P.L.1873,
2 No.1), entitled "An act providing for taxation by school
3 districts, for the State funds formula, for tax relief in
4 first class cities, for school district choice and voter
5 participation, for other school district options and for a
6 task force on school cost reduction; making an appropriation;
7 prohibiting prior authorized taxation; providing for
8 installment payment of taxes; restricting the power of
9 certain school districts to levy, assess and collect taxes;
10 and making related repeals," further providing for the
11 definition of "income"; and providing for the definition of
12 "Social Security substitute pension."

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

15 Section 1. The definition of "income" in section 1303 of the
16 act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as
17 the Taxpayer Relief Act, is amended and the section is amended
18 by adding a definition to read:

19 Section 1303. Definitions.

20 The following words and phrases when used in this chapter
21 shall have the meanings given to them in this section unless the
22 context clearly indicates otherwise:

23 * * *

1 "Income." All income from whatever source derived,
2 including, but not limited to:

3 (1) Salaries, wages, bonuses, commissions, income from
4 self-employment, alimony, support money, cash public
5 assistance and relief.

6 (2) The gross amount of any pensions or annuities,
7 including railroad retirement benefits for calendar years
8 prior to 1999 and 50% of railroad retirement benefits for
9 calendar years 1999 and thereafter and excluding 50% of
10 Social Security substitute pensions for calendar years 2009
11 and thereafter.

12 (3) All benefits received under the Social Security Act
13 (49 Stat. 620, 42 U.S.C. § 301 et seq.), except Medicare
14 benefits, for calendar years prior to 1999, and 50% of all
15 benefits received under the Social Security Act, except
16 Medicare benefits, for calendar years 1999 and thereafter.

17 (4) All benefits received under State unemployment
18 insurance laws [and veterans' disability payments].

19 (5) All interest received from the Federal or any state
20 government or any instrumentality or political subdivision
21 thereof.

22 (6) Realized capital gains and rentals.

23 (7) Workers' compensation.

24 (8) The gross amount of loss of time insurance benefits,
25 life insurance benefits and proceeds, except the first \$5,000
26 of the total of death benefit payments.

27 (9) Gifts of cash or property, other than transfers by
28 gift between members of a household, in excess of a total
29 value of \$300.

30 The term does not include surplus food or other relief in kind

1 supplied by a governmental agency, property tax or rent rebate
2 or inflation dividend.

3 * * *

4 "Social Security substitute pension." A pension that is
5 provided in lieu of old age and survivor benefit payments under
6 the Social Security Act (49 Stat. 620, 42 U.S.C. § 301 et seq.)
7 to a person whose employment was not covered under the Social
8 Security Act. The amount of the pension that qualifies as a
9 "Social Security substitute pension" shall not exceed the
10 maximum Federal old age and survivor benefit payments, less any
11 Federal old age and survivor benefit payments received under the
12 Social Security Act for employment covered under the Social
13 Security Act.

14 * * *

15 Section 2. This act shall take effect immediately.