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THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 726 Session of 2017

INTRODUCED BY GREENLEAF AND MENSCH, MAY 19, 2017

REFERRED TO FINANCE, MAY 19, 2017

AN ACT

Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An act relating to tax reform and State taxation by codifying and enumerating certain subjects of taxation and imposing taxes thereon; providing procedures for the payment, collection, administration and enforcement thereof; providing for tax credits in certain cases; conferring powers and imposing duties upon the Department of Revenue, certain employers, fiduciaries, individuals, persons, corporations and other entities; prescribing crimes, offenses and penalties," in personal income tax, further providing for classes of income relating to employee stock ownership plans.

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

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

Section 303. Classes of Income.--* * *

(a.10) The provisions of sections 402(e)(4) and 1042 of the Internal Revenue Code of 1986 (26 U.S.C. §§ 402(e)(4) and 1042), as amended, shall be applicable.

* * *

Section 2. The addition of section 303(a.10) of the act shall apply to taxable years beginning after January 1, 2018.

Section 3. This act shall take effect immediately.