

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1860 Session of  
1989

INTRODUCED BY CHADWICK, CARLSON, LEE, JADLOWIEC AND FOX,  
SEPTEMBER 18, 1989

REFERRED TO COMMITTEE ON FINANCE, SEPTEMBER 18, 1989

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," providing for certain out-of-State taxation.

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

13 Section 1. Section 356 of the act of March 4, 1971 (P.L.6,  
14 No.2), known as the Tax Reform Code of 1971, is amended by  
15 adding a subsection to read:

16 Section 356. Cooperation with Other Governmental Agencies.--

17 \* \* \*

18 (c) (1) In the event that any other state, which has not  
19 entered into a reciprocal agreement with the Commonwealth in  
20 accordance with subsection (b), imposes a tax on individual  
21 residents of this State which may create an extraordinary tax

1 burden on any one or more of such individuals, the Commonwealth  
2 shall impose a separate tax, on individuals in the class of  
3 subjects made up of residents of that other state who earn or  
4 otherwise receive personal income from sources within the  
5 Commonwealth in any of the classes of income upon which tax  
6 under this article is imposed, at a rate of six per cent per  
7 annum upon that portion of such individuals taxable personal  
8 income for the year derived from sources in this Commonwealth.  
9 The tax authorized hereby shall remain in force only so long as  
10 an extraordinary tax burden is being imposed upon any individual  
11 Commonwealth resident.

12 (2) For purposes of this subsection, the term "extraordinary  
13 tax burden" shall mean a tax upon the personal income of any  
14 individual resident of Pennsylvania which is greater than that  
15 which would be imposed by the other state on one of its own  
16 individuals having taxable personal income in that state in an  
17 identical amount.

18 Section 2. This act shall apply to tax years commencing  
19 January 1, 1989.

20 Section 3. This act shall take effect immediately.