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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2371 Session of  
2015

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INTRODUCED BY SCHLOSSBERG, HENNESSEY, BULLOCK, COOK-ARTIS,  
DRISCOLL, FREEMAN, KINSEY, MACKENZIE, McNEILL, O'BRIEN,  
SAVAGE, STURLA AND YOUNGBLOOD, SEPTEMBER 23, 2016

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REFERRED TO COMMITTEE ON FINANCE, SEPTEMBER 23, 2016

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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 caregiver tax credit.

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

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

16 ARTICLE XVIII-I

17 CAREGIVER TAX CREDIT

18 1801-I. Scope of article.

19 This article relates to caregiver tax credit.

20 1802-I. Definitions.

21 The following words and phrases when used in this article

1 shall have the meanings given to them in this section unless the  
2 context clearly indicates otherwise:

3 "Credit." The caregiver tax credit provided for under this  
4 article.

5 "Department." The Department of Human Services of the  
6 Commonwealth.

7 "Taxpayer." An individual subject to payment of taxes under  
8 Article III.

9 1803-I. Tax Credit.

10 (a) General rule.--For taxable years beginning on or after  
11 January 1, 2017, a credit shall be allowed against a taxpayer's  
12 aggregate tax liability under section 302 for taxpayers with an  
13 adjusted gross income of less than \$40,000. The amount of the  
14 credit shall equal 50% of the Federal dependent care credit that  
15 the taxpayer is eligible for in the taxable year under section  
16 21 of the Internal Revenue Code of 1986 (Public Law 99-514, 26  
17 U.S.C. § 1 et seq.).

18 (b) Exception.--The amount of the credit for a taxpayer with  
19 an adjusted gross income of less than \$20,000 shall equal the  
20 Federal dependent care credit that the taxpayer is eligible for  
21 in any case without regard to a limitation imposed under section  
22 26 of the Internal Revenue Code of 1986.

23 1804-I. Application.

24 Eligible taxpayers must apply for the credit by submitting an  
25 application to the department. The department shall issue a  
26 certification for an approved application to the taxpayer. The  
27 taxpayer shall attach the certification to the applicable income  
28 tax return.

29 1805-I. Guidelines.

30 The department shall establish guidelines necessary to

1 implement this article.

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