

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1689 Session of
1993

INTRODUCED BY MARKOSEK, PETRONE, MAYERNIK, SURRA, BATTISTO,
TRICH, MUNDY, COWELL, MIHALICH, GORDNER, SANTONI, COLAIZZO,
STEELMAN, MANDERINO, ROBINSON, CARONE AND KREBS, MAY 26, 1993

REFERRED TO COMMITTEE ON FINANCE, MAY 26, 1993

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," further defining "taxable income."

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

13 Section 1. Section 401(3)4.(a) of the act of March 4, 1971
14 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended
15 August 4, 1991 (P.L.97, No.22), is amended to read:

16 Section 401. Definitions.--The following words, terms, and
17 phrases, when used in this article, shall have the meaning
18 ascribed to them in this section, except where the context
19 clearly indicates a different meaning:

20 * * *

21 (3) "Taxable income." * * *

1 4. (a) [For] Subject to paragraph (a.1), for taxable years
2 beginning in 1982 [through taxable years beginning in 1990,] and
3 thereafter, a net loss deduction shall be allowed from taxable
4 income as arrived at under subclause 1 or, if applicable,
5 subclause 2.

6 (a.1) For taxable years beginning in 1991 [and thereafter,
7 the net loss deduction allowed for years prior to 1991 shall be
8 suspended, and no] through 1993, the carryover of net losses
9 from taxable years 1988[, 1989 and 1990 shall be utilized in
10 calculating net income] through 1992 shall be limited to fifty
11 per cent of such losses.

12 * * *

13 Section 2. The amendment of section 401(3)4.(a) of the act
14 shall be retroactive to January 1, 1991.

15 Section 3. This act shall take effect immediately.