

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2028 Session of
1995

INTRODUCED BY VEON, STURLA, DeWEESE, ITKIN, BELARDI, SURRA,
ROONEY, GEORGE, STABACK, TIGUE, MIHALICH, DeLUCA, SCRIMENTI,
MANDERINO, MARKOSEK, MUNDY, WALKO, JOSEPHS, GRUITZA, RAMOS,
OLASZ, MELIO AND STEELMAN, SEPTEMBER 25, 1995

REFERRED TO COMMITTEE ON FINANCE, SEPTEMBER 25, 1995

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 providing for poverty exemptions from
11 personal income tax.

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

14 Section 1. Section 304 of the act of March 4, 1971 (P.L.6,
15 No.2), known as the Tax Reform Code of 1971, amended December
16 13, 1991 (P.L.373, No.40) and June 16, 1994 (P.L.279, No.48), is
17 amended to read:

18 Section 304. [Special Tax Provisions for Poverty] Working
19 Class Exemption.--(a) The General Assembly, in recognition of
20 the powers contained in section 2(b)(ii) of Article VIII of the
21 Constitution of the Commonwealth of Pennsylvania which provides

1 therein for the establishing as a class or classes of subjects
2 of taxation the property or privileges of persons who, because
3 of poverty are determined to be in need of special tax
4 provisions hereby declares as its legislative intent and purpose
5 to implement such power under such constitutional provision by
6 establishing special tax provisions as hereinafter provided in
7 this act.

8 (b) The General Assembly having determined that there are
9 persons within this Commonwealth whose incomes are such that
10 imposition of a tax thereon would deprive them and their
11 dependents of the bare necessities of life and having further
12 determined that poverty is a relative concept inextricably
13 joined with actual income and the number of people dependent
14 upon such income deems it to be a matter of public policy to
15 provide special tax provisions for that class of persons
16 hereinafter designated to relieve their economic burden.

17 (c) For the taxable year 1974 and each year thereafter any
18 claimant who meets the following standards of eligibility
19 established by this act as the test for poverty shall be deemed
20 a separate class of subject of taxation, and, as such, shall be
21 entitled to the benefit of the special provisions of this act.

22 (d) Any claim for special tax provisions hereunder shall be
23 determined in accordance with the following:

24 (1) If the poverty income of the claimant during an entire
25 taxable year is six thousand three hundred dollars (\$6,300) or
26 less, the claimant shall be entitled to a refund or forgiveness
27 of any moneys which have been paid over to (or would except for
28 the provisions of this act be payable to) the Commonwealth under
29 the provisions of this article, with an additional income
30 allowance of [three thousand dollars (\$3,000)] four thousand

1 dollars (\$4,000) for the first additional dependent and an
2 additional income allowance of three thousand dollars (\$3,000)
3 for each additional dependent of the claimant.

4 (2) If the poverty income of the claimant during an entire
5 taxable year does not exceed the poverty income limitations
6 prescribed by clause (1) by more than the dollar category
7 contained in subclauses (i), (ii), (iii), (iv), (v), (vi),
8 (vii), (viii) or (ix) of this clause, the claimant shall be
9 entitled to a refund or forgiveness based on the per centage
10 prescribed in such subclauses of any moneys which have been paid
11 over to (or would except for the provisions herein be payable
12 to) the Commonwealth under this article:

13 (i) Ninety per cent if not in excess of [one hundred dollars
14 (\$100)] two hundred dollars (\$200).

15 (ii) Eighty per cent if not in excess of [two hundred
16 dollars (\$200)] four hundred dollars (\$400).

17 (iii) Seventy per cent if not in excess of [three hundred
18 dollars (\$300)] six hundred dollars (\$600).

19 (iv) Sixty per cent if not in excess of [four hundred
20 dollars (\$400)] eight hundred dollars (\$800).

21 (v) Fifty per cent if not in excess of [five hundred dollars
22 (\$500)] one thousand dollars (\$1,000).

23 (vi) Forty per cent if not in excess of [six hundred dollars
24 (\$600)] one thousand two hundred dollars (\$1,200).

25 (vii) Thirty per cent if not in excess of [seven hundred
26 dollars (\$700)] one thousand four hundred dollars (\$1,400).

27 (viii) Twenty per cent if not in excess of [eight hundred
28 dollars (\$800)] one thousand six hundred dollars (\$1,600).

29 (ix) Ten per cent if not in excess of [nine hundred dollars
30 (\$900)] one thousand eight hundred dollars (\$1,800).

1 Section 2. The amendment of section 304 of the act shall
2 apply to taxable years beginning after December 31, 1994.
3 Section 3. This act shall take effect in 60 days.