

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2113 Session of  
1995

INTRODUCED BY BROWNE, TRELLO, RUBLEY, BELARDI, BELFANTI, SAYLOR,  
HERMAN, SATHER, HENNESSEY, M. N. WRIGHT, PISTELLA, TIGUE,  
L. I. COHEN, SEMMEL, LEH, SCHRODER AND E. Z. TAYLOR,  
OCTOBER 18, 1995

REFERRED TO COMMITTEE ON FINANCE, OCTOBER 18, 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 the definition of "poverty  
11 income."

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

14 Section 1. Section 301(0.2) of the act of March 4, 1971  
15 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended  
16 December 13, 1991 (P.L.373, No.40), is amended to read:

17 Section 301. Definitions.--The following words, terms and  
18 phrases when used in this article shall have the meaning  
19 ascribed to them in this section except where the context  
20 clearly indicates a different meaning. Any reference in this  
21 article to the Internal Revenue Code shall include the Internal

1 Revenue Code of 1954, as amended to the date on which this  
2 article is effective:

3 \* \* \*

4 (o.2) "Poverty income" means for the purpose of determining  
5 eligibility for special tax provisions all moneys or property  
6 (including interest, gains or income derived from obligations  
7 which are statutorily free from State or local taxation under  
8 any other act of the General Assembly of the Commonwealth of  
9 Pennsylvania or under the laws of the United States) received of  
10 whatever nature and from whatever source derived, but not  
11 including (i) periodic payments for sickness and disability  
12 other than regular wages received during a period of sickness or  
13 disability; or (ii) disability, retirement or other payments  
14 arising under workmen's compensation acts, occupational disease  
15 acts and similar legislation by any government; or (iii)  
16 payments commonly recognized as old age or retirement benefits  
17 paid to persons retired from service after reaching a specific  
18 age or after a stated period of employment; or (iv) payments  
19 commonly known as public assistance or unemployment compensation  
20 payments by any governmental agency; or (v) payments to  
21 reimburse actual expenses; or (vi) payments made by employers or  
22 labor unions for programs covering hospitalization, sickness,  
23 disability or death, supplemental unemployment benefits, strike  
24 benefits, Social Security and retirement; or (vii) any  
25 compensation received by United States servicemen serving in a  
26 combat zone[.]; or (viii) scholarships and fellowship awards  
27 made on the basis of need or academic achievement for the  
28 purpose of encouraging or allowing the recipient to further  
29 educational development and not as compensation for past or  
30 present employment or in expectation of future employment

1 services; or (ix) gain on sale of principal residence as  
2 provided in section 303(a)(3).

3 \* \* \*

4 Section 2. This act shall take effect January 1, 1996.