

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 278 Session of
2001

INTRODUCED BY CAPPELLI, ALLEN, CAPPABIANCA, COLAFELLA, FEESE, FLEAGLE, GABIG, HERMAN, NAILOR, ORIE, WOJNAROSKI, FAIRCHILD, JADLOWIEC, MARSICO, READSHAW, SAYLOR, BARRAR, E. Z. TAYLOR, MARKOSEK, RUBLEY, BENNINGHOFF, KENNEY, HENNESSEY, M. BAKER, LEDERER, HESS, KAISER, HORSEY, YOUNGBLOOD, L. I. COHEN, LEWIS, SHANER, ARMSTRONG, SAINATO, EGOLF, LEH, TULLI, HASAY, FLICK, GRUCELA, STEELMAN, GEIST, HERSHEY, DeLUCA, METCALFE, ROBERTS, WILT, BASTIAN, COLEMAN, ROSS AND R. MILLER,
JANUARY 30, 2001

REFERRED TO COMMITTEE ON FINANCE, JANUARY 30, 2001

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 special tax provisions for
11 poverty.

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 May 24,
16 2000 (P.L.106, No.23), is amended to read:

17 Section 304. Special Tax Provisions for Poverty.--(a) The
18 General Assembly, in recognition of the powers contained in
19 section 2(b)(ii) of Article VIII of the Constitution of the

1 Commonwealth of Pennsylvania which provides therein for the
2 establishing as a class or classes of subjects of taxation the
3 property or privileges of persons who, because of poverty are
4 determined to be in need of special tax provisions hereby
5 declares as its legislative intent and purpose to implement such
6 power under such constitutional provision by establishing
7 special tax provisions as hereinafter provided in 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 five hundred dollars (\$6,500) or
26 less, or, in the case of a married claimant, if the joint
27 poverty income of the claimant and the claimant's spouse during
28 an entire taxable year is thirteen thousand dollars (\$13,000) or
29 less, the claimant shall be entitled to a refund or forgiveness
30 of any moneys which have been paid over to (or would except for

1 the provisions of this act be payable to) the Commonwealth under
2 the provisions of this article, with an additional income
3 allowance of seven thousand five hundred dollars (\$7,500) for
4 each dependent of the claimant. For purposes of this subsection,
5 a claimant shall not be considered to be married if:

6 (i) The claimant and the claimant's spouse file separate
7 returns; and

8 (ii) The claimant and the claimant's spouse live apart at
9 all times during the last six months of the taxable year or are
10 separated pursuant to a written separation agreement.

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

20 (i) Ninety per cent if not in excess of two hundred fifty
21 dollars (\$250).

22 (ii) Eighty per cent if not in excess of five hundred
23 dollars (\$500).

24 (iii) Seventy per cent if not in excess of seven hundred
25 fifty dollars (\$750).

26 (iv) Sixty per cent if not in excess of one thousand dollars
27 (\$1,000).

28 (v) Fifty per cent if not in excess of one thousand two
29 hundred fifty dollars (\$1,250).

30 (vi) Forty per cent if not in excess of one thousand five

1 hundred dollars (\$1,500).

2 (vii) Thirty per cent if not in excess of one thousand seven
3 hundred fifty dollars (\$1,750).

4 (viii) Twenty per cent if not in excess of two thousand
5 dollars (\$2,000).

6 (ix) Ten per cent if not in excess of two thousand two
7 hundred fifty dollars (\$2,250).

8 (2.1) If the joint poverty income of a claimant and the
9 claimant's spouse during an entire taxable year does not exceed
10 the poverty income limitations prescribed by clause (1) by more
11 than the dollar category contained in subclauses (i), (ii),
12 (iii), (iv), (v), (vi), (vii), (viii) or (ix) of this clause,
13 the claimant shall be entitled to a refund or forgiveness based
14 on the percentage prescribed in such subclauses of any moneys
15 which have been paid over to, or would, except for the
16 provisions herein, be payable to the Commonwealth under this
17 article:

18 (i) Ninety per cent if not in excess of five hundred dollars
19 (\$500).

20 (ii) Eighty per cent if not in excess of one thousand
21 dollars (\$1,000).

22 (iii) Seventy per cent if not in excess of one thousand five
23 hundred dollars (\$1,500).

24 (iv) Sixty per cent if not in excess of two thousand dollars
25 (\$2,000).

26 (v) Fifty per cent if not in excess of two thousand five
27 hundred dollars (\$2,500).

28 (vi) Forty per cent if not in excess of three thousand
29 dollars (\$3,000).

30 (vii) Thirty per cent if not in excess of three thousand

1 five hundred dollars (\$3,500).

2 (viii) Twenty per cent if not in excess of four thousand
3 dollars (\$4,000).

4 (ix) Ten per cent if not in excess of four thousand five
5 hundred dollars (\$4,500).

6 (3) If an individual has a taxable year of less than twelve
7 months, the poverty income thereof shall be annualized in such
8 manner as the department may prescribe.

9 Section 2. This act shall apply to taxable years beginning
10 after December 31, 2000.

11 Section 3. This act shall take effect immediately.