

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 789 Session of 2003

INTRODUCED BY E. Z. TAYLOR, RUBLEY, TURZAI, SATHER, LEDERER, GORDNER, GEIST, YOUNGBLOOD, HENNESSEY, S. MILLER, GEORGE, GRUCELA, THOMAS, CAPPELLI, COY, KOTIK, HERSHEY, R. MILLER, WALKO, FEESE, GANNON, McCALL, HERMAN, BUXTON, CAWLEY, MANN, WEBER, BUNT, FLICK, BAKER, MAJOR, GODSHALL, BELARDI, SURRA, GOODMAN, RAYMOND, WATSON, LEACH, YUDICHAK, SANTONI, WOJNAROSKI, CAUSER, STABACK, MACKERETH, ADOLPH, CLYMER, FORCIER, COSTA, CIVERA, DALLY, FICHTER, HORSEY, DeLUCA, WASHINGTON, DeWEESE, MUNDY, McILHATTAN, SHANER, READSHAW, R. STEVENSON, FRANKEL, CURRY, BROWNE, TRAVAGLIO, MARSICO, BEBKO-JONES, CRUZ, KIRKLAND, LEVDANSKY, SOLOBAY, HARRIS, CORRIGAN, SCRIMENTI, LAUGHLIN, REICHLEY, BARRAR, HARHAI, ZUG, PISTELLA, PICKETT, BELFANTI, JAMES, MANDERINO, SAINATO, SEMMEL, FREEMAN, BENNINGHOFF, TANGRETTI, RUFFING, CRAHALLA, ROSS, BARD AND GERGELY, MARCH 10, 2003

REFERRED TO COMMITTEE ON FINANCE, MARCH 10, 2003

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 a child and dependent care tax
11 credit.

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

14 Section 1. Section 301 of the act of March 4, 1971 (P.L.6,
15 No.2), known as the Tax Reform Code of 1971, is amended by
16 adding a subsection to read:

1 Section 301. Definitions.--The following words, terms and
2 phrases when used in this article shall have the meaning
3 ascribed to them in this section except where the context
4 clearly indicates a different meaning, and, unless specifically
5 provided otherwise, any reference in this article to the
6 Internal Revenue Code of 1986 shall mean the Internal Revenue
7 Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.), as
8 amended to January 1, 1997:

9 * * *

10 (c.1a) "Child and dependent care expenses" means the total
11 of the amounts calculated under subclauses (i) and (ii) as
12 follows:

13 (i) Unreimbursed employment-related expenses that are used
14 in calculating the Federal child and dependent care credit under
15 section 21 of the Internal Revenue Code of 1986 (Public Law 99-
16 514, 26 U.S.C. § 1 et seq.), without regard to the limitations
17 in section 21(c) of the Internal Revenue Code of 1986.

18 (ii) Amounts deemed to be unreimbursed child and dependent
19 care expenses for qualified individuals described in section
20 21(b)(1) of the Internal Revenue Code of 1986: Provided, That
21 the amount deemed to be unreimbursed child and dependent care
22 expenses shall be equal to one hundred fifty dollars (\$150) per
23 month for each qualified individual, reduced by any child and
24 dependent care expenses included in calculating the amount under
25 subclause (i).

26 * * *

27 Section 2. The act is amended by adding a section to read:

28 Section 314.1. Child and Dependent Care Tax Credit.--(a) A
29 taxpayer shall be allowed a credit against the tax due under
30 this article for child and dependent care expenses as calculated

1 under this section.

2 (b) The credit shall be equal to the child and dependent
3 care expenses incurred by the taxpayer or the taxpayer's spouse
4 multiplied by the rate of tax specified in section 302.

5 (c) The credit provided by this section shall not exceed the
6 amount of tax otherwise due under this article.

7 Section 3. This act shall apply to tax years beginning on or
8 after January 1, 2003.

9 Section 4. This act shall take effect immediately.