

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 562 Session of 2011

INTRODUCED BY CORMAN, BRUBAKER, ERICKSON, ALLOWAY, ORIE, PIPPY, RAFFERTY, EICHELBERGER, BREWSTER, EARLL, WAUGH AND WOZNIAK, FEBRUARY 17, 2011

REFERRED TO FINANCE, FEBRUARY 17, 2011

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 imposition of the
11 personal income tax and authorizing the offsetting of gains
12 and losses among the various classes of income.

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

15 Section 1. Section 302 of the act of March 4, 1971 (P.L.6,
16 No.2), known as the Tax Reform Code of 1971, amended December
17 23, 2003 (P.L.250, No.46), is amended to read:

18 Section 302. Imposition of Tax.--(a) Every resident
19 individual, estate or trust shall be subject to, and shall pay
20 for the privilege of receiving [each of the classes of] income
21 [hereinafter enumerated in section 303], a tax upon each dollar
22 of income received by that resident during that resident's

1 taxable year at the rate of three and seven hundredths per cent.

2 (b) Every nonresident individual, estate or trust shall be
3 subject to, and shall pay for the privilege of receiving [each
4 of the classes of] income [hereinafter enumerated in section
5 303] from sources within this Commonwealth, a tax upon each
6 dollar of income received by that nonresident during that
7 nonresident's taxable year at the rate of three and seven
8 hundredths per cent.

9 Section 2. Section 303(a) introductory paragraph of the act,
10 added August 31, 1971 (P.L.362, No.93), is amended and the
11 section is amended by adding a subsection to read:

12 Section 303. Classes of Income.--(a) The classes of income
13 [referred to above] are as follows:

14 * * *

15 (a.8) (1) Subject to the limitation under paragraph (2),
16 for the tax year beginning January 1, 2011, and each tax year
17 thereafter, a taxpayer may offset the gains or losses within one
18 class of income with the gains or losses occurring within
19 another class of income.

20 (2) Gains or losses under subsection (a)(7) shall be limited
21 solely to that class of income. Losses within this particular
22 class of income may not be used to offset any gain in any other
23 class of income.

24 * * *

25 Section 3. This act shall take effect immediately.