
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1056 Session of
2018

INTRODUCED BY BROOKS, GORDNER, MENSCH, RESCHENTHALER, FOLMER,
AUMENT, HUTCHINSON, VULAKOVICH, DiSANTO, KILLION, MARTIN,
VOGEL, WAGNER, YAW, BARTOLOTTA, BAKER, EICHELBERGER, BROWNE,
REGAN, WARD, LANGERHOLC AND McILHINNEY, FEBRUARY 22, 2018

REFERRED TO FINANCE, FEBRUARY 22, 2018

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," in corporate net income tax, further providing
11 for definitions.

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

14 Section 1. Section 401(3)1(q) and (r) of the act of March 4,
15 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, are
16 amended to read:

17 Section 401. 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:

21 * * *

1 (3) "Taxable income." 1. * * *

2 (q) [Notwithstanding] For qualified property acquired and
3 placed in service before September 28, 2017, notwithstanding
4 paragraph (a), taxable income shall include the amount of the
5 deduction for depreciation of qualified property claimed and
6 allowable under section 168(k) of the Internal Revenue Code of
7 1986 (26 U.S.C. § 168(k)).

8 (r) [Notwithstanding] For qualified property acquired and
9 placed in service before September 28, 2017, notwithstanding
10 paragraph (a), if a deduction for depreciation of qualified
11 property was included in taxable income in accordance with
12 paragraph (q), an additional deduction for depreciation of the
13 qualified property shall be allowed from taxable income until
14 the total amount included as taxable income under paragraph (q)
15 has been claimed. The additional deduction shall be equal to the
16 product of taking three sevenths of the amount of the deduction
17 for depreciation of the qualified property allowable under
18 section 167 of the Internal Revenue Code of 1986 (26 U.S.C. §
19 167), not including the amount of the deduction for depreciation
20 of the qualified property claimed and allowable under section
21 168(k) of the Internal Revenue Code of 1986 (26 U.S.C. §
22 168(k)), for the tax year.

23 * * *

24 Section 2. The amendment of section 401(3)1(q) and (r) of
25 the act shall apply to tax years beginning on or after January
26 1, 2017.

27 Section 3. This act shall take effect immediately.