

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 804

Session of  
1987

INTRODUCED BY NOYE, TIGUE, CESSAR, HARPER, JOHNSON, MORRIS,  
NAHILL, SEMMEL, SALOOM, HALUSKA, MRKONIC, JACKSON, CLYMER,  
KENNEY, BOYES, SCHULER, CARLSON, J. L. WRIGHT, BOWSER,  
DISTLER, HAGARTY, WOZNIAK, STABACK, KASUNIC, FISCHER, DeLUCA,  
BUNT, PHILLIPS, LAUGHLIN, FOX, GODSHALL, OLASZ, TELEK,  
McVERY, MICOZZIE AND E. Z. TAYLOR, MARCH 11, 1987

REFERRED TO COMMITTEE ON FINANCE, MARCH 11, 1987

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," exempting nursing home residents 65 years of age  
11 and over from the personal income tax on interest received  
12 from financial institutions.

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

15 Section 1. Section 303(a)(6) of the act of March 4, 1971  
16 (P.L.6, No.2), known as the Tax Reform Code of 1971, added  
17 August 31, 1971 (P.L.362, No.93), is amended to read:

18 Section 303. Classes of Income.--(a) The classes of income  
19 referred to above are as follows:

20 \* \* \*

21 (6) Interest derived from obligations which are not

1 statutorily free from State or local taxation under any other  
2 act of the General Assembly of the Commonwealth of Pennsylvania  
3 or under the laws of the United States. The term "interest"  
4 shall not include interest received by persons sixty-five years  
5 of age and over who, as a result of infirmity or disability, are  
6 full-time residents in nursing homes, from interest-bearing  
7 deposits in financial institutions, including, but not limited  
8 to, any bank, private bank, bank and trust company, savings  
9 association, savings bank, trust company, savings and loan  
10 association, building and loan association or credit union  
11 organized or operated under State or Federal law. This exclusion  
12 shall, however, apply only to the first five thousand dollars  
13 (\$5,000) of interest received.

14 \* \* \*

15 Section 2. This act shall apply to taxable years beginning  
16 on and after January 1, 1988.

17 Section 3. This act shall take effect immediately.