

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2101 Session of 2021

INTRODUCED BY SHUSTERMAN, HILL-EVANS, RYAN, N. NELSON, KINSEY, SCHLOSSBERG, SANCHEZ, WEBSTER, DeLUCA, NEILSON, GUENST AND ROZZI, NOVEMBER 23, 2021

REFERRED TO COMMITTEE ON FINANCE, NOVEMBER 23, 2021

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 personal income tax, providing for charitable
11 contribution exemption.

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

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

17 Section 304.3. Charitable contribution exemption.--(a) A
18 contribution to a charitable organization shall be exempt from
19 all taxation by the Commonwealth and its political subdivisions
20 in accordance with this section.

21 (b) The following apply:

22 (1) An amount contributed to a charitable organization shall

1 be deductible from the taxable income of the contributor under
2 this article for the tax year the contribution was made.

3 (2) The total contributions made by a contributor during a
4 taxable year to all charitable organizations that are allowable
5 as a deduction under this section shall not exceed the dollar
6 amount under section 2503(b) of the Internal Revenue Code.

7 (3) The deduction shall not result in the contributor's
8 taxable income being less than zero.

9 (c) As used in this section, the following words and phrases
10 shall have the meanings given to them in this subsection unless
11 the context clearly indicates otherwise:

12 "Charitable organization." An organization that is qualified
13 under section 501(c)(3) of the Internal Revenue Code of 1986
14 (Public Law 99-514, 26 U.S.C. § 501(c)(3)) and that has obtained
15 an exemption number from the department as a charitable
16 organization.

17 "Contributor." An individual who makes a contribution to a
18 charitable organization.

19 Section 2. This act shall apply to taxable years commencing
20 after the effective date of this section.

21 Section 3. This act shall take effect in 60 days.