

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1741 Session of  
1977

INTRODUCED BY O'DONNELL, ENGLEHART, HASKELL AND MILLER,  
OCTOBER 12, 1977

REFERRED TO COMMITTEE ON FINANCE, OCTOBER 12, 1977

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 defining compensation.

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

13 Section 1. Section 301(d), act of March 4, 1971 (P.L.6,  
14 No.2), known as the "Tax Reform Code of 1971," amended May 9,  
15 1972 (P.L.273, No.66), is amended to read:

16 Section 301. Definitions.--The following words, terms and  
17 phrases when used in this article shall have the meaning  
18 ascribed to them in this section except where the context  
19 clearly indicates a different meaning. Any reference in this  
20 article to the Internal Revenue Code shall include the Internal  
21 Revenue Code of 1954, as amended to the date on which this  
22 article is effective:

1       \* \* \*

2       (d) "Compensation" means and shall include salaries, wages,  
3 commissions, bonuses and incentive payments whether based on  
4 profits or otherwise, fees, tips and similar remuneration  
5 received for services rendered, whether directly or through an  
6 agent, and whether in cash or in property.

7       The term "compensation" shall not mean or include: (i)  
8 periodic payments for sickness and disability other than regular  
9 wages received during a period of sickness or disability; or  
10 (ii) disability, retirement or other payments arising under  
11 workmen's compensation acts, occupational disease acts and  
12 similar legislation by any government; or (iii) payments  
13 commonly recognized as old age or retirement benefits paid to  
14 persons retired from service after reaching a specific age or  
15 after a stated period of employment; or (iv) payments commonly  
16 known as public assistance, or unemployment compensation  
17 payments by any governmental agency; or (v) payments to  
18 reimburse actual expenses; or (vi) payments made by employers or  
19 labor unions for programs covering hospitalization, sickness,  
20 disability or death, supplemental unemployment benefits, strike  
21 benefits, social security and retirement; or (vii) any  
22 compensation received by United States servicemen serving in a  
23 combat zone; or (viii) tax shelter annuity premiums exempted  
24 from Federal withholding.

25       \* \* \*

26       Section 2. This act shall take effect immediately.