

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL  
No. 1588 Session of  
1981

INTRODUCED BY CORNELL, PRATT, J. L. WRIGHT, WENGER, ARTY,  
PERZEL, BOYES, HALUSKA, PETRARCA, TRELLO, NAHILL AND JOHNSON,  
JUNE 15, 1981

REFERRED TO COMMITTEE ON FINANCE, JUNE 15, 1981

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," excluding certain interest from the personal  
11 income tax.

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

14 Section 1. Clause (6) of subsection (a) of section 303, act  
15 of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform Code of  
16 1971," added August 31, 1971 (P.L.362, No.93), is amended to  
17 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  
22 statutorily free from State or local taxation under any other

1 act of the General Assembly of the Commonwealth of Pennsylvania  
2 or under the laws of the United States. For calendar year 1981  
3 the term interest shall not include interest equivalent to the  
4 first two hundred dollars (\$200) for any person that is filing  
5 an individual return or the first four hundred dollars (\$400)  
6 for any husband and wife filing a joint return which is paid on  
7 deposits in commercial banks, savings banks, building and loan  
8 or savings and loan associations. For calendar year 1982 the  
9 term interest shall not include interest equivalent to the first  
10 four hundred dollars (\$400) for any person that is filing an  
11 individual return or the first eight hundred dollars (\$800) for  
12 any husband and wife filing a joint return which is paid on  
13 deposits in commercial banks, savings banks, building and loan  
14 or savings and loan associations. For calendar year 1983 and  
15 thereafter the term interest shall not include interest  
16 equivalent to the first five hundred dollars (\$500) for any  
17 person that is filing an individual return or the first one  
18 thousand dollars (\$1,000) for any husband and wife filing a  
19 joint return which is paid on deposits in commercial banks,  
20 savings banks, building and loan or savings and loan  
21 associations.

22 Section 2. This act shall take effect immediately.