

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 114 Session of 1989

INTRODUCED BY E. Z. TAYLOR, HAGARTY, ITKIN, JOSEPHS, DALEY, FOX, MORRIS, ROBINSON, ALLEN, GEIST, BOYES, JOHNSON, D. W. SNYDER, FREIND, REBER, CIVERA, JAROLIN, FREEMAN, WOZNIAK, TRELLO, GLADECK, HERMAN, LASHINGER, BELFANTI, BORTNER, BUNT, J. H. CLARK, MARKOSEK, McHALE, CAWLEY, ANGSTADT, GODSHALL, CORNELL, HECKLER, MERRY, BILLOW, RITTER, HASAY, CARLSON, LANGTRY, PRESTON, J. TAYLOR, VEON, ADOLPH, MAINE, KENNEY, HARPER, FLICK AND STAIRS, JANUARY 25, 1989

REFERRED TO COMMITTEE ON FINANCE, JANUARY 25, 1989

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," providing for an exclusion from the Pennsylvania
11 personal income tax of earnings expended for child care.

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

14 Section 1. Section 303(a)(1) of the act of March 4, 1971
15 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended
16 March 13, 1974 (P.L.179, No.32), is amended to read:

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

19 (1) Compensation. All salaries, wages, commissions, bonuses

1 and incentive payments whether based on profits or otherwise,
2 fees, tips and similar remuneration received for services
3 rendered whether directly or through an agent and whether in
4 cash or in property except income derived from the United States
5 Government for active duty outside the Commonwealth of
6 Pennsylvania as a member of its armed forces. Notwithstanding
7 the foregoing, an amount equal to any expenses incurred by a
8 person legally responsible for the care of any children, for the
9 care of those children during any period of time said person is
10 engaged in performing services in connection with his
11 employment, whether that care be in-home or at any licensed
12 Pennsylvania child care facility, shall be excluded from income
13 taxed as compensation.

14 * * *

15 Section 2. The Department of Revenue shall promulgate rules
16 and regulations to carry out the provisions of this act and
17 shall undertake to inform the public of this provision.

18 Section 3. This act shall take be retroactive to January 1,
19 1989.

20 Section 4. This act shall take effect immediately.