

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 560 Session of
1991

INTRODUCED BY VEON, PISTELLA, COHEN, BELFANTI, DeWEESE, TRICH,
KOSINSKI, FEE, McNALLY, McGEEHAN, COLAIZZO, KRUSZEWSKI,
STISH, HARPER, JOSEPHS, KUKOVICH, SCRIMENTI, BELARDI,
LaGROTTA, FREEMAN, LUCYK, LEVDANSKY, PESCI, JAMES, MIHALICH,
LAUGHLIN, OLASZ, BLAUM, TRELLO, MELIO, STABACK, GIGLIOTTI,
JAROLIN, DALEY, RICHARDSON, PETRARCA, RITTER, STURLA AND
SURRA, APRIL 2, 1991

REFERRED TO COMMITTEE ON FINANCE, APRIL 2, 1991

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," prohibiting the use of replacement worker
11 expenses in determining corporate net income tax; and
12 requiring sworn statements by employers.

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

15 Section 1. Section 401 of the act of March 4, 1971 (P.L.6,
16 No.2), known as the Tax Reform Code of 1971, is amended by
17 adding a definition to read:

18 Section 401. Definitions.--The following words, terms, and
19 phrases, when used in this article, shall have the meaning
20 ascribed to them in this section, except where the context

1 clearly indicates a different meaning:

2 * * *

3 (2.1) "Replacement worker." An individual employed to
4 replace an employee who is either temporarily or permanently
5 involved in a collective bargaining dispute.

6 * * *

7 Section 2. The act is amended by adding a section to read:

8 Section 407.1. Settlement or Resettlement when Replacement
9 Workers are Employed.--(a) Any expense incurred by a
10 corporation for the purposes of wages, compensation, benefits,
11 advertising for, recruiting or hiring of replacement workers,
12 and any other legal, administrative, or financial expenses
13 incurred by a corporation in the process of employing
14 replacement workers shall not be included in the settlement of
15 the corporation's taxable income.

16 (b) Each corporation shall submit upon a form prescribed,
17 prepared and furnished by the department, a statement under oath
18 that the expenses reported for settlement of the corporation's
19 taxable income do not include any expenses incurred for the
20 purposes of employing replacement workers. The form shall be
21 attached to the corporation's annual report, as required under
22 section 403.

23 Section 3. This act shall take effect July 1, 1991.