

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## HOUSE BILL

No. 1159 Session of  
2003

INTRODUCED BY PALLONE, BAKER, BEBKO-JONES, BISHOP, BROWNE,  
CIVERA, COY, DALEY, DeWEESE, EACHUS, FRANKEL, GEORGE,  
GOODMAN, GRUCELA, HALUSKA, HARHAI, HARPER, HENNESSEY, HORSEY,  
JOSEPHS, KOTIK, LAUGHLIN, MELIO, S. MILLER, MYERS, PETRONE,  
PISTELLA, REICHLEY, ROSS, SAINATO, SCHRODER, SCRIMENTI,  
SHANER, SOLOBAY, STABACK, TANGRETTI, TRAVAGLIO, WALKO,  
WANSACZ, WASHINGTON, WOJNAROSKI, YOUNGBLOOD AND MUNDY,  
APRIL 14, 2003

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES,  
AS AMENDED, OCTOBER 7, 2003

## 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 exemption for qualified disability  
11 trusts; AND IMPOSING DUTIES ON THE SECRETARY OF THE  
12 COMMONWEALTH AND THE LEGISLATIVE REFERENCE BUREAU. <—

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

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

18 Section 305.1. Exemption for Qualified Disability Trust.--A  
19 qualified disability trust as defined in section 642(b)(2)(C) of

1 the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C.  
2 § 642(b)(2)(C)) shall be entitled to exempt from income subject  
3 to taxation under this article an amount not to exceed two  
4 thousand nine hundred dollars (\$2,900), provided that the  
5 qualified disability trust is eligible for the same exemption  
6 under Federal law.

7 ~~Section 2. This act shall take effect in 60 days.~~ <—

8 SECTION 2. IF THE ELECTORATE APPROVES AN AMENDMENT TO THE <—  
9 CONSTITUTION OF PENNSYLVANIA TO ALLOW FOR EXEMPTIONS FOR  
10 QUALIFIED DISABILITY TRUSTS, THE SECRETARY OF THE COMMONWEALTH  
11 SHALL TRANSMIT NOTICE OF THE APPROVAL TO THE LEGISLATIVE  
12 REFERENCE BUREAU FOR PUBLICATION IN THE PENNSYLVANIA BULLETIN.

13 SECTION 3. THE ADDITION OF SECTION 305.1 OF THE ACT SHALL  
14 APPLY TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31 OF THE YEAR  
15 IN WHICH NOTICE IS PUBLISHED UNDER SECTION 2 OF THIS ACT.

16 SECTION 4. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

17 (1) THE ADDITION OF SECTION 305.1 OF THE ACT SHALL TAKE  
18 EFFECT UPON PUBLICATION OF THE NOTICE UNDER SECTION 2 OF THIS  
19 ACT.

20 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT  
21 IMMEDIATELY.