

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 529 Session of
2005

INTRODUCED BY FLICK, CRAHALLA, TURZAI, SHANER, ARMSTRONG,
BALDWIN, BARRAR, BELFANTI, BOYD, CALTAGIRONE, CAPPELLI,
COSTA, GEIST, GEORGE, GILLESPIE, GINGRICH, GOODMAN, GRUCELA,
HALUSKA, M. KELLER, KILLION, LEACH, MANN, MARKOSEK, MCGEEHAN,
MCILHATTAN, MUSTIO, O'NEILL, PETRARCA, PICKETT, REICHLEY,
SAINATO, SCHRODER, SOLOBAY, STERN, TANGRETTI, TIGUE, WALKO,
WILT AND YOUNGBLOOD, APRIL 26, 2005

REFERRED TO COMMITTEE ON FINANCE, APRIL 26, 2005

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 providing for classes of income.

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

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

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

18 * * *

19 (9) Notwithstanding any other provision of this subsection,

1 the following shall not be considered as income for purposes of
2 this act: Any amount of Pennsylvania income attributable to
3 earnings or distributions from a qualified tuition program, as
4 defined in section 529 of the Internal Revenue Code of 1986
5 (Public Law 99-514, 26 U.S.C. § 529) and in effect for the
6 taxable year, if the distributions are used to pay for qualified
7 educational expenses as defined in section 529.

8 * * *

9 Section 2. The addition of section 303(a)(9) of the act
10 shall apply to tax years beginning after December 31, 2005.

11 Section 3. This act shall take effect in 60 days.