

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2300 Session of 2022

INTRODUCED BY MIHALEK, DUNBAR, PICKETT, MERCURI AND COOK,
JANUARY 27, 2022

REFERRED TO COMMITTEE ON FINANCE, JANUARY 27, 2022

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," in personal income tax, further providing for
11 special tax provisions for poverty; and, in corporate net
12 income tax, further providing for imposition of tax.

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

15 Section 1. Sections 304(d)(1) and 402(b) of the act of March
16 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, are
17 amended to read:

18 Section 304. Special Tax Provisions for Poverty.--* * *

19 (d) Any claim for special tax provisions hereunder shall be
20 determined in accordance with the following:

21 (1) If the poverty income of the claimant during an entire
22 taxable year is [six thousand five hundred dollars (\$6,500)] six
23 thousand nine hundred (\$6,900) or less, or, in the case of a

1 married claimant, if the joint poverty income of the claimant
2 and the claimant's spouse during an entire taxable year is
3 ~~[thirteen thousand dollars (\$13,000)]~~ thirteen thousand eight
4 hundred (\$13,800) or less, the claimant shall be entitled to a
5 refund or forgiveness of any moneys which have been paid over to
6 (or would except for the provisions of this act be payable to)
7 the Commonwealth under the provisions of this article, with an
8 additional income allowance of ~~[nine thousand five hundred~~
9 ~~dollars (\$9,500)]~~ ten thousand one hundred (\$10,100) for each
10 dependent of the claimant. For purposes of this subsection, a
11 claimant shall not be considered to be married if:

12 (i) The claimant and the claimant's spouse file separate
13 returns; and

14 (ii) The claimant and the claimant's spouse live apart at
15 all times during the last six months of the taxable year or are
16 separated pursuant to a written separation agreement.

17 * * *

18 Section 402. Imposition of Tax.--* * *

19 (b) The annual rate of tax on corporate net income imposed
20 by subsection (a) for taxable years beginning for the calendar
21 year or fiscal year on or after the dates set forth shall be as
22 follows:

| 23 | Taxable Year | Tax Rate |
|----|----------------------------|--------------|
| 24 | January 1, 1995, and | |
| 25 | each taxable year | |
| 26 | [thereafter] | 9.99% |
| 27 | <u>beginning prior to</u> | |
| 28 | <u>January 1, 2023</u> | |
| 29 | <u>January 1, 2023</u> | <u>9.74%</u> |
| 30 | <u>January 1, 2024 and</u> | |

1 each taxable year

2 thereafter 9.49%

3 * * *

4 Section 2. The amendment of section 304(d)(1) shall apply to
5 taxable years beginning after December 31, 2021.

6 Section 3. This act shall take effect immediately.