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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2752 Session of  
2022

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INTRODUCED BY INNAMORATO, LEE, KRAJEWSKI, FIEDLER, RABB,  
HOHENSTEIN, CEPHAS, DRISCOLL, HILL-EVANS, SCHLOSSBERG,  
A. DAVIS, N. NELSON, KINKEAD, SIMS, CIRESI, KIM, DELLOSO,  
MADDEN, McCLINTON, GUENST, SHUSTERMAN, T. DAVIS, OTTEN AND  
D. WILLIAMS, JULY 13, 2022

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REFERRED TO COMMITTEE ON FINANCE, JULY 13, 2022

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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 tax credit and tax benefit administration,  
11 further providing for definitions; and providing for Working  
12 Family Income Tax Credit.

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

15 Section 1. The definition of "tax credit" in section 1701-  
16 A.1 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax  
17 Reform Code of 1971, amended June 30, 2021 (P.L.124, No.25), is  
18 amended to read:

19 Section 1701-A.1. Definitions.

20 The following words and phrases when used in this article  
21 shall have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 \* \* \*

3 "Tax credit." A tax credit authorized under any of the  
4 following:

5 (1) Article XVII-B.

6 (2) Article XVII-D.

7 (3) Article XVII-E.

8 (4) Article XVII-G.

9 (5) Article XVII-H.

10 (6) Article XVII-I.

11 (7) Article XVII-J.

12 (8) Article XVII-K.

13 (8.1) Article XVII-L.

14 (9) Article XVIII.

15 (10) Article XVIII-B.

16 (11) Article XVIII-D.

17 (12) Article XVIII-E.

18 (13) Article XVIII-F.

19 (14) Article XVIII-G.

20 (14.1) Article XVIII-H.

21 (14.2) Article XVIII-I.

22 (15) Article XIX-A.

23 (15.1) Article XIX-C.

24 (16) Article XIX-E.

25 (16.1) Article XIX-F.

26 (17) Section 2010.

27 (19) Article XX-B of the act of March 10, 1949 (P.L.30,  
28 No.14), known as the Public School Code of 1949.

29 (20) The act of December 1, 2004 (P.L.1750, No.226),

30 known as the First Class Cities Economic Development District

1 Act.

2 (21) 12 Pa.C.S. Ch. 34 (relating to Infrastructure and  
3 Facilities Improvement Program).

4 (22) Any other program established by a law of this  
5 Commonwealth in which a person applies for and receives a  
6 credit against a tax. This paragraph shall not apply to a  
7 credit against a tax liability as a result of an overpayment.

8 \* \* \*

9 Section 2. The act is amended by adding an article to read:

10 ARTICLE XVIII-I

11 WORKING FAMILY INCOME TAX CREDIT

12 Section 1801-I. Scope of article.

13 This article relates to the Working Family Income Tax Credit.

14 Section 1802-I. Definitions.

15 The following words and phrases when used in this article  
16 shall have the meanings given to them in this section unless the  
17 context clearly indicates otherwise:

18 "Department." The Department of Revenue of the Commonwealth.

19 "Eligible taxpayer." A taxpayer eligible to receive a tax  
20 credit under section 1804-I.

21 "Federal Earned Income Tax Credit." The Earned Income Tax  
22 Credit provided under section 32 of the Internal Revenue Code of  
23 1986 (Public Law 99-514, 26 U.S.C. § 32).

24 "Tax credit." The Working Family Income Tax Credit provided  
25 under this article.

26 "Taxpayer." An individual subject to the tax under Article  
27 III.

28 Section 1803-I. Working Family Income Tax Credit.

29 (a) Application of tax credit.--An eligible taxpayer may  
30 apply the tax credit against the eligible taxpayer's tax due

1 under Article III.

2 (b) Spouses who file separately.--In the case of spouses who  
3 are both eligible to receive the tax credit and who file a joint  
4 Federal tax return but who elect to determine their taxes  
5 separately, the tax credit may only be used by the spouse with  
6 the greater tax otherwise due, computed without regard to the  
7 tax credit.

8 (c) Amount of tax credit.--The tax credit shall be equal to  
9 30% of the taxpayer's Federal Earned Income Tax Credit for the  
10 same taxable year or, for a taxpayer not currently eligible for  
11 the Federal Earned Income Tax Credit, 30% of the amount the  
12 taxpayer would otherwise be eligible for under the Federal  
13 Earned Income Tax Credit for the same taxable year.

14 (d) Credit refundable.--If the amount of credit which the  
15 eligible taxpayer is eligible to receive under this section  
16 exceeds the taxpayer's tax liability under Article III, the  
17 department shall refund the excess amount to the eligible  
18 taxpayer.

19 Section 1804-I. Eligibility.

20 A taxpayer is eligible to receive a tax credit if the  
21 following apply:

22 (1) The taxpayer lived in this Commonwealth for more  
23 than one-half of the preceding taxable year.

24 (2) The taxpayer satisfies at least one of the  
25 following:

26 (i) Is eligible for the Federal Earned Income Tax  
27 Credit.

28 (ii) Is filing with an individual taxpayer  
29 identification number and is otherwise eligible for the  
30 Federal Earned Income Tax Credit.

1           (iii) Has a qualifying child for the taxable year  
2           and is at least 18 years of age, but has not attained 25  
3           years of age before the close of the taxable year, and is  
4           otherwise eligible for the Federal Earned Income Tax  
5           Credit.

6           (iv) Has no qualifying children for the taxable year  
7           and is at least 21 years of age, but has not attained 65  
8           years of age before the close of the taxable year, and is  
9           otherwise eligible for the Federal Earned Income Tax  
10          Credit.

11 Section 1805-I. Regulations.

12          The department may promulgate rules and regulations to  
13 administer and enforce this act.

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