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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1742 Session of  
2023

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INTRODUCED BY CEPEDA-FREYTIZ, D. MILLER, MADDEN, KAZEEM,  
DONAHUE, T. DAVIS, HILL-EVANS, SMITH-WADE-EL, SANCHEZ,  
PARKER, DELLOSO, KHAN, STEELE, CIRESI, GREEN AND KRAJEWSKI,  
OCTOBER 3, 2023

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REFERRED TO COMMITTEE ON FINANCE, OCTOBER 3, 2023

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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 personal income tax, further providing for  
11 special tax provisions for poverty.

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

14 Section 1. Section 304(d) of the act of March 4, 1971  
15 (P.L.6, No.2), known as the Tax Reform Code of 1971, is amended  
16 by adding a clause to read:

17 Section 304. Special Tax Provisions for Poverty.--\* \* \*

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

20 \* \* \*

21 (4) For the tax year immediately following the effective

1 date of this clause and for every tax year thereafter, the  
2 poverty income amounts under clause (1) shall be increased by an  
3 annual cost-of-living adjustment calculated by applying the  
4 percentage change in the Consumer Price Index for All Urban  
5 Consumers (CPI-U) for the Pennsylvania, New Jersey, Delaware and  
6 Maryland area, for the most recent twelve-month period for which  
7 figures have been officially reported by the United States  
8 Department of Labor, Bureau of Labor Statistics immediately  
9 prior to the date the adjustment is due to take effect, to the  
10 then current poverty income amounts. The department shall  
11 determine the percentage increase and the new poverty income  
12 amounts prior to the annual effective date of the adjustment and  
13 shall transmit notice to the Legislative Reference Bureau for  
14 publication in the Pennsylvania Bulletin within ten days of the  
15 date the determination is made. The poverty income amounts may  
16 not be decreased as a result of a negative percentage change in  
17 the CPI-U for the Pennsylvania, New Jersey, Delaware and  
18 Maryland area.

19 Section 2. This act shall take effect in 60 days.