

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1742 Session of 2023

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

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, JUNE 12, 2024

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 1. SECTION 304(D) (1) OF THE ACT OF MARCH 4, 1971 <--
18 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, IS AMENDED
19 AND THE SUBSECTION IS AMENDED BY ADDING A CLAUSE TO READ:

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

21 (d) Any claim for special tax provisions hereunder shall be

1 determined in accordance with the following:

2 (1) IF THE POVERTY INCOME OF THE CLAIMANT DURING AN ENTIRE <--  
3 TAXABLE YEAR IS [SIX THOUSAND FIVE HUNDRED DOLLARS (\$6,500)] TEN  
4 THOUSAND DOLLARS (\$10,000) OR LESS, OR, IN THE CASE OF A MARRIED  
5 CLAIMANT, IF THE JOINT POVERTY INCOME OF THE CLAIMANT AND THE  
6 CLAIMANT'S SPOUSE DURING AN ENTIRE TAXABLE YEAR IS [THIRTEEN  
7 THOUSAND DOLLARS (\$13,000)] TWENTY THOUSAND DOLLARS (\$20,000) OR  
8 LESS, THE CLAIMANT SHALL BE ENTITLED TO A REFUND OR FORGIVENESS  
9 OF ANY MONEYS WHICH HAVE BEEN PAID OVER TO (OR WOULD EXCEPT FOR  
10 THE PROVISIONS OF THIS ACT BE PAYABLE TO) THE COMMONWEALTH UNDER  
11 THE PROVISIONS OF THIS ARTICLE, WITH AN ADDITIONAL INCOME  
12 ALLOWANCE OF NINE THOUSAND FIVE HUNDRED DOLLARS (\$9,500) FOR  
13 EACH DEPENDENT OF THE CLAIMANT. FOR PURPOSES OF THIS SUBSECTION,  
14 A CLAIMANT SHALL NOT BE CONSIDERED TO BE MARRIED IF:

15 (I) THE CLAIMANT AND THE CLAIMANT'S SPOUSE FILE SEPARATE  
16 RETURNS; AND

17 (II) THE CLAIMANT AND THE CLAIMANT'S SPOUSE LIVE APART AT  
18 ALL TIMES DURING THE LAST SIX MONTHS OF THE TAXABLE YEAR OR ARE  
19 SEPARATED PURSUANT TO A WRITTEN SEPARATION AGREEMENT.

20 \* \* \*

21 (4) For the tax year immediately following the effective  
22 date of this clause and for every tax year thereafter, the  
23 poverty income amounts under clause (1) FOR A CLAIMANT AND FOR A <--  
24 CLAIMANT AND THE CLAIMANT'S SPOUSE shall be increased by an  
25 annual cost-of-living adjustment calculated by applying the  
26 percentage change in the Consumer Price Index for All Urban  
27 Consumers (CPI-U) for the Pennsylvania, New Jersey, Delaware and  
28 Maryland area, for the most recent twelve-month period for which  
29 figures have been officially reported by the United States  
30 Department of Labor, Bureau of Labor Statistics immediately

1 prior to the date the adjustment is due to take effect, to the  
2 then current poverty income amounts FOR A CLAIMANT AND FOR A <--  
3 CLAIMANT AND THE CLAIMANT'S SPOUSE. The department shall  
4 determine the percentage increase and the new poverty income  
5 amounts FOR A CLAIMANT AND FOR A CLAIMANT AND THE CLAIMANT'S <--  
6 SPOUSE prior to the annual effective date of the adjustment and  
7 shall transmit notice to the Legislative Reference Bureau for  
8 publication in the Pennsylvania Bulletin within ten days of the  
9 date the determination is made. The poverty income amounts FOR A <--  
10 CLAIMANT AND FOR A CLAIMANT AND THE CLAIMANT'S SPOUSE may not be  
11 decreased as a result of a negative percentage change in the  
12 CPI-U for the Pennsylvania, New Jersey, Delaware and Maryland  
13 area.

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