

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 654 Session of 2023

INTRODUCED BY BARTOLOTTA, YAW, HUTCHINSON, PENNYCUICK, ROTHMAN, BAKER, DUSH, VOGEL AND SCHWANK, MAY 2, 2023

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, DECEMBER 13, 2023

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 classes of income.

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

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

17 Section 303. Classes of Income.--* * *

18 ~~(a.11) A person (A.11) (1) EXCEPT AS PROVIDED UNDER~~ <--
19 PARAGRAPH (2), A TAXPAYER WHO HAS PARTIAL OR FULL OWNERSHIP OF
20 LAND ON WHICH TAXABLE INCOME IS GENERATED FROM THE MINING,
21 EXTRACTION OR PRODUCTION OF OIL, GAS, ORES, MINERALS OR OTHER

1 NATURAL RESOURCES OF A MINE, OIL OR GAS WELL OR OTHER NATURAL
2 DEPOSIT OCCURS may claim a deduction for depletion of a mine,
3 oil and gas well and other natural deposit in accordance with
4 the provisions of sections 611, 612, 613, 613A, 614, 616 and 617
5 of the Internal Revenue Code of 1986 (Public Law 99-514, 26
6 U.S.C. § 611 et seq.) in effect on the effective date of this
7 subsection.

8 (2) ONCE A TAXPAYER HAS RECOVERED THE ORIGINAL BASIS IN THE <--
9 PROPERTY, THE TAXPAYER IS NO LONGER ELIGIBLE FOR THE DEDUCTION
10 UNDER PARAGRAPH (1).

11 * * *

12 Section 2. The addition of section 303(a.11) of the act
13 shall apply to tax years beginning after December 31, ~~2022~~ 2023. <--

14 Section 3. This act shall take effect immediately.