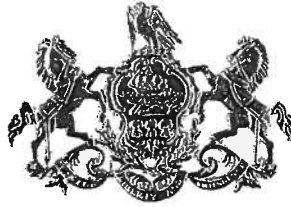


34TH DISTRICT  
**SENATOR JAKE CORMAN**

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*Appropriations Chairman*



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**Senate of Pennsylvania**  
**MEMORANDUM**

To: All Senators

From: Senator Jake Corman *Jake*

Date: December 10, 2010

RE: **Co-sponsorship memo # 2** – Taxpayer Offset – One class gains and losses to be offset against another class.

I plan to reintroduce Senate Bill 253 of 2009, legislation that would allow for gains or losses in one class to be offset against another. Under section 303 (a) of the Tax Reform Code of 1971, the Personal Income Tax is levied against eight classes of income. A loss in one class of income may not be offset against income in another class and gains or losses may not be carried forward or backward from year to year. This is more restrictive than federal tax calculations allow.

This situation was brought to my attention by one of my constituents. The individual found that losses from business partnerships cannot be offset against investment income such as interest or dividends. If money is lent to a legitimate business partner, the interest income on the loan is reported on an individual tax return. However, if the partner loses money, this loss cannot be offset. My legislation seeks to remedy problems like this as well as provide flexibility to our business community.

**SB 253 of 2009 – Senators Earll, Eichelberger, Orié, Alloway, Waugh, Pippy, Baker, Rafferty, Erickson and Brubaker.**

If you have any questions with regard to this co-sponsorship, please contact Scott Sikorski in my office at 787-1377.

If you would like to cosponsor this legislation, please contact Kristi Kreiser in my office at 787-1377 or by email at [kkreiser@pasen.gov](mailto:kkreiser@pasen.gov).