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MEMO



Senate of Pennsylvania

December 9, 2010

TO: ALL SENATORS

FROM: Stewart J. Greenleaf

*Stewart*

SUBJECT: Cosponsorship – Tax Return Filing Exemption for Seniors

I am reintroducing **Senate Bill 1122**, amending the Tax Reform Code to exempt senior citizens from having to file a Personal Income Tax return when they qualify for full tax forgiveness.

Under current law and regulation, every individual having taxable income for the taxable year shall file a return unless an individual's tax liability is less than \$1, which equates to \$33 in taxable income. Pennsylvania also has a law which provides up to 100% tax forgiveness to low-income citizens. That being said, many seniors who have taxable income over \$33 are being required to file a state tax return even though they have no final tax payment since they qualify for 100% tax forgiveness.

My legislation would enable seniors age 65 or older to forgo the requirement of filing a tax return if they are eligible to receive 100% tax forgiveness. Based on the current income eligibility standards for the Tax Forgiveness Program at the level of 100%, seniors would not be required to file a tax return if their taxable income is less than \$6,500 for an individual or \$13,000 for a married couple.

Recognizing that many of our seniors live on a fixed, limited income, I see no reason why we should require them to incur unnecessary expenses associated with the preparation and filing of a state tax return when they have no final tax due because they qualify for full tax forgiveness. There should be no revenue consequence to the Commonwealth because those individuals exempted from filing a return would owe no taxes given their eligibility for tax forgiveness. I would argue that this proposal could result in savings to both the Commonwealth and residents by not having to file needless paperwork when taxes are not due.

*If you are interested in cosponsoring this legislation, please contact Pat Snively of my office by e-mailing her at [psnively@pasen.gov](mailto:psnively@pasen.gov).*