

SCOTT W. BOYD, MEMBER
43RD LEGISLATIVE DISTRICT

HARRISBURG OFFICE
PO BOX 202043
HARRISBURG, PA 17120-2043
PHONE: (717) 783-6422
FAX: (717) 787-7731
EMAIL: SBOYD@PAHOUSEGOP.COM

DISTRICT OFFICE
PO BOX 268
LAMPETER, PA 17537-0268
PHONE: (717) 464-5285
FAX: (717) 295-7817



House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

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MEMO

DATE: December 20, 2010

TO: All House Members

SUBJECT: Re-introduction of Legislation—Prior House Bill 756
Income Tax Forgiveness: "Claimant"

FROM: Rep. Scott Boyd 

I am planning to re-introduce House Bill 756 of the 2009-10 Legislative Session. This legislation is of vital importance to Pennsylvania's young working adults.

Enacted in 1974, Pennsylvania grants a tax credit to those individuals receiving tax forgiveness under the Special Provisions (SP) for Poverty. Currently, the eligibility income limits for 100% tax forgiveness are \$6,500 for single claimants and \$13,000 for married claimants with no dependents. The eligibility income limits increase by \$9,500 for each dependent. This means that a working family of four earning less than \$32,000 receives 100% tax forgiveness for Pennsylvania Personal Income Tax purposes.

It has come to my attention that there are certain residents of Pennsylvania earning income well within the eligibility income limits who are nonetheless ineligible for tax forgiveness. Any Pennsylvanian who is claimed as a dependent of another person is ineligible for tax forgiveness. Many young Pennsylvania residents have begun employment as they work their way through both high school and college. However, because their parents may still claim them as dependents, these young adults are unable to receive tax forgiveness. We all know how difficult it can be to make ends meet when one is working their way through college to advance their education. Pennsylvania does not need to make this endeavor any more difficult.

My legislation will amend the definition of "claimant" to remove the dependent restriction and allow these taxpayers to receive tax forgiveness. If enacted, this legislation will put the earnings of hard-working young adults back in their pockets where it belongs to pay for such things as textbooks, tuition bills, or living expenses.

If you would like to cosponsor this legislation, please contact Debbie, in my office, at 783-6422 or via email at dacor@pahousegop.com.

Previous cosponsors: *Beyer, Caltagirone, Clymer, Creighton, Ellis, Fleck, Geist, Gibbons, Gingrich, Goodman, Harper, Hennessey, Hickernell, Kauffman, M. Keller, W. Keller, Killion, Kortz, Melio, Millard, Miller, Moul, O'Neill, Pickett, Pyle, Rapp, Readshaw, Reichley, Scavello, Siproth, K. Smith, Stern and Watson.*