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*House of Representatives*  
COMMONWEALTH OF PENNSYLVANIA  
HARRISBURG

MEMO

Date: December 20, 2010  
To: All House Members  
Subject: Re-Introduction of Legislation--Pertaining to the Treatment of  
Installment Sales under the Personal Income Tax (Prior HB 615)  
From: Rep. Scott W. Boyd   
783-6422

I am planning to re-introduce House Bill 615 of the 2009-10 Legislative Session. This legislation would bring Pennsylvania's personal income tax into greater conformity with the federal treatment of installment sales.

This legislation would allow a taxpayer to elect installment sales treatment for a transaction in which the sale of tangible personal property, real property or intangible property qualifies for treatment as an installment sale under the Internal Revenue Code. Under installment sales treatment, a taxpayer is permitted to recognize the gain from a disposition of property over a period of time if one or more of the associated payments are received after the taxable year in which the disposition occurs.

Greater conformity with the federal treatment of installment sales will benefit taxpayers and help simplify the rules for tax preparers. For example, under current Pennsylvania law a sale of intangible property does not qualify for installment sales treatment even if such transaction qualifies under Federal law.

If you are interested in cosponsoring this legislation please contact Debbie, in my office, at 783-6422 or via email at [dacor@pahousegop.com](mailto:dacor@pahousegop.com).

/dja

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