

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.8) An amount paid for qualified adoption expenses under
19 section 23 of the Internal Revenue Code of 1986 (Public Law 99-
20 514, 26 U.S.C. § 23) shall be deductible from taxable income on
21 the annual income tax return. The amount paid for qualified
22 adoption expenses allowable under this subsection shall be

1 subject to an annual limitation not to exceed fifty per cent of
2 the credit allowed under section 23 of the Internal Revenue Code
3 of 1986. The deduction shall not result in taxable income being
4 less than zero and any unused portion of the deduction may be
5 carried forward for the next succeeding five years.

6 * * *

7 Section 2. This act shall take effect in 60 days.