

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 definitions.

12 The General Assembly of the Commonwealth of Pennsylvania
13 hereby enacts as follows:

14 Section 1. The definition of "poverty income" in section 301
15 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax
16 Reform Code of 1971, is amended to read:

17 Section 301. Definitions.--Any reference in this article to
18 the Internal Revenue Code of 1986 shall mean the Internal
19 Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.),
20 as amended to January 1, 1997, unless the reference contains the
21 phrase "as amended" and refers to no other date, in which case
22 the reference shall be to the Internal Revenue Code of 1986 as

1 it exists as of the time of application of this article. The
2 following words, terms and phrases when used in this article
3 shall have the meaning ascribed to them in this section except
4 where the context clearly indicates a different meaning:

5 * * *

6 (o.2) "Poverty income" means for the purpose of determining
7 eligibility for special tax provisions all moneys or property
8 (including interest, gains or income derived from obligations
9 which are statutorily free from State or local taxation under
10 any other act of the General Assembly of the Commonwealth of
11 Pennsylvania or under the laws of the United States) received of
12 whatever nature and from whatever source derived, but not
13 including (i) periodic payments for sickness and disability
14 other than regular wages received during a period of sickness or
15 disability; or (ii) disability, retirement or other payments
16 arising under workmen's compensation acts, occupational disease
17 acts and similar legislation by any government; or (iii)
18 payments commonly recognized as old age or retirement benefits
19 paid to persons retired from service after reaching a specific
20 age or after a stated period of employment; or (iv) payments
21 commonly known as public assistance or unemployment compensation
22 payments by any governmental agency; or (v) payments to
23 reimburse actual expenses; or (vi) payments made by employers or
24 labor unions for programs covering hospitalization, sickness,
25 disability or death, supplemental unemployment benefits, strike
26 benefits, Social Security and retirement; or (vii) any
27 compensation received by United States servicemen serving in a
28 combat zone[.]; or (viii) payments received by a foster parent
29 for in-home care of foster children from an agency of the
30 Commonwealth or a political subdivision thereof or an

1 organization exempt from Federal tax under section 501(c)(3) of
2 the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C.
3 § 501(c)(3)) that is licensed by the Commonwealth or a political
4 subdivision thereof as a placement agency.

5 * * *

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