

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 266 Session of 2013

INTRODUCED BY GREENLEAF, STACK, TARTAGLIONE, SCHWANK, ERICKSON  
AND WAUGH, JANUARY 18, 2013

REFERRED TO FINANCE, JANUARY 18, 2013

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 and for spousal income tax returns; and  
12 abrogating regulations.

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

15 Section 1. Section 303 of the act of March 4, 1971 (P.L.6,  
16 No.2), known as the Tax Reform Code of 1971, is amended by  
17 adding a subsection to read:

18 Section 303. Classes of Income.--\* \* \*

19 (a.8) A taxpayer may offset a gain in one class of income  
20 with a loss in another class of income.

21 \* \* \*

22 Section 2. Section 331(b) of the act, added August 31, 1971  
23 (P.L.362, No.93), is amended to read:

Section 331. Returns of Married Individuals, Deceased or Disabled Individuals and Fiduciaries.--\* \* \*

(b) If the income tax liabilities of husband and wife are determined on a joint return, [their] all of the following apply:

(1) Their tax liabilities shall be joint and several.

(2) A spouse may offset a gain in a class of income with a loss of the other spouse in the same class of income.

(3) A spouse may offset a gain in one class of income with a loss of the other spouse in another class of income.

\* \* \*

Section 3. The following provisions of 61 Pa. Code are abrogated:

(1) Section 115.5(d).

(2) Section 121.15(c) and (d).

Section 4. The following provisions shall apply to taxable years beginning after December 31, 2012:

(1) The addition of subsection 303(a.8) of the act.

(2) The amendment of section 331(b) of the act.

(3) Section 3 of this act.

Section 5. This act shall take effect immediately.