

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 768

Session of  
1979

INTRODUCED BY POTT, BRUNNER, MOEHLMANN AND VROON, MARCH 20, 1979

REFERRED TO COMMITTEE ON FINANCE, MARCH 20, 1979

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," redefining the term "compensation" to exclude an  
11 amount equal to certain nonreimbursable expenses.

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

14 Section 1. Clause (d) of section 301, act of March 4, 1971  
15 (P.L.6, No.2), known as the "Tax Reform Code of 1971," added  
16 August 31, 1971 (P.L.362, No.93), and amended May 9, 1972  
17 (P.L.273, No.66), is amended to read:

18 Section 301. Definitions.--The following words, terms and  
19 phrases when used in this article shall have the meaning  
20 ascribed to them in this section except where the context  
21 clearly indicates a different meaning. Any reference in this  
22 article to the Internal Revenue Code shall include the Internal  
23 Revenue Code of 1954, as amended to the date on which this

1 article is effective:

2 \* \* \*

3 (d) "Compensation" means and shall include salaries, wages,  
4 commissions, bonuses and incentive payments whether based on  
5 profits or otherwise, fees, tips and similar remuneration  
6 received for services rendered, whether directly or through an  
7 agent, and whether in cash or in property.

8 The term "compensation" shall not mean or include: (i)  
9 periodic payments for sickness and disability other than regular  
10 wages received during a period of sickness or disability; or  
11 (ii) disability, retirement or other payments arising under  
12 workmen's compensation acts, occupational disease acts and  
13 similar legislation by any government; or (iii) payments  
14 commonly recognized as old age or retirement benefits paid to  
15 persons retired from service after reaching a specific age or  
16 after a stated period of employment; or (iv) payments commonly  
17 known as public assistance, or unemployment compensation  
18 payments by any governmental agency; or (v) payments to  
19 reimburse actual expenses; or (vi) payments made by employers or  
20 labor unions for programs covering hospitalization, sickness,  
21 disability or death, supplemental unemployment benefits, strike  
22 benefits, social security and retirement; or (vii) any  
23 compensation received by United States servicemen serving in a  
24 combat zone; or (viii) compensation in an amount equal to the  
25 actual expenses incurred by an employe, while away from home  
26 overnight, to the extent that they are not reimbursed by the  
27 employer, and to the extent that they are a condition or  
28 requirement of employment. Such actual expenses shall be limited  
29 to lodging, travel, and meals. For the purposes of this clause,  
30 the term "home" shall not be limited to a particular building or

1 property. It shall include the entire city or general area in  
2 which the place of employment is located.

3 \* \* \*

4 Section 2. This act shall take effect immediately and shall  
5 be retroactive to January 1, 1979.