

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2535 Session of
1996

INTRODUCED BY HERMAN, McGEEHAN, DALEY, PETTIT, GEIST, WALKO,
TRELLO, L. I. COHEN, BAKER, MICOZZIE, STISH, E. Z. TAYLOR,
FAIRCHILD, SERAFINI, RUBLEY, MERRY, SATHER, BELARDI, CURRY,
COY, GODSHALL, OLASZ, HENNESSEY, LEDERER AND FLICK,
APRIL 10, 1996

REFERRED TO COMMITTEE ON FINANCE, APRIL 10, 1996

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," providing for a deduction for nursing home
11 expenses from the calculation of taxable compensation.

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

14 Section 1. Section 303(a)(1) of the act of March 4, 1971
15 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended
16 March 13, 1974 (P.L.179, No.32), is amended to read:

17 Section 303. Classes of Income.--(a) The classes of income
18 referred to above are as follows:

19 (1) Compensation. All salaries, wages, commissions, bonuses
20 and incentive payments whether based on profits or otherwise,
21 fees, tips and similar remuneration received for services

1 rendered whether directly or through an agent and whether in
2 cash or in property except income derived from the United States
3 Government for active duty outside the Commonwealth of
4 Pennsylvania as a member of its armed forces. Notwithstanding
5 any other provision of this act, unreimbursed nursing home
6 expenses incurred by an individual during a tax year shall be
7 deductible from compensation. The expenses incurred shall be
8 principally for the medical care of the individual in the
9 nursing home.

10 * * *

11 Section 2. This act shall be retroactive to January 1, 1996.

12 Section 3. This act shall take effect immediately.