

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2401 Session of  
1998

INTRODUCED BY HARHART, ROBINSON, DEMPSEY, BOYES, ADOLPH, McNAUGHTON, SEYFERT, ARGALL, ARMSTRONG, BAKER, BARD, BARRAR, BATTISTO, BOSCOLA, BROWN, BROWNE, CARONE, CHADWICK, CIVERA, CLARK, L. I. COHEN, COWELL, COY, DALLY, FAIRCHILD, FARGO, FICHTER, FLEAGLE, GEIST, GODSHALL, GORDNER, HANNA, HERMAN, HERSHEY, KENNEY, KREBS, MAHER, MAITLAND, MARSICO, MASLAND, MILLER, ORIE, PESCI, PIPPY, PLATTS, RAYMOND, READSHAW, SAINATO, SATHER, SCHRODER, SERAFINI, D. W. SNYDER, STERN, STEVENSON, E. Z. TAYLOR, TIGUE, TRUE, TULLI, VAN HORNE, WAUGH, C. WILLIAMS, WILT, ZIMMERMAN AND ZUG, MARCH 12, 1998

REFERRED TO COMMITTEE ON FINANCE, MARCH 12, 1998

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," further providing for special tax provisions for  
11 poverty.

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

14 Section 1. Section 304(d) of the act of March 4, 1971  
15 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended May  
16 7, 1997 (P.L.85, No.7), is amended to read:

17 Section 304. Special Tax Provisions for Poverty.--\* \* \*

18 (d) Any claim for special tax provisions hereunder shall be

1 determined in accordance with the following:

2 (1) If the poverty income of the claimant during an entire  
3 taxable year is [six thousand three hundred dollars (\$6,300)]  
4 six thousand five hundred dollars (\$6,500) or less, or, in the  
5 case of a married claimant, if the joint poverty income of the  
6 claimant and the claimant's spouse during an entire taxable year  
7 is [twelve thousand six hundred dollars (\$12,600)] thirteen  
8 thousand dollars (\$13,000) or less, the claimant shall be  
9 entitled to a refund or forgiveness of any moneys which have  
10 been paid over to (or would except for the provisions of this  
11 act be payable to) the Commonwealth under the provisions of this  
12 article, with an additional income allowance of [four thousand  
13 dollars (\$4,000)] six thousand dollars (\$6,000) for the first  
14 additional dependent and an additional income allowance of [four  
15 thousand dollars (\$4,000)] six thousand dollars (\$6,000) for  
16 each additional dependent of the claimant. For purposes of this  
17 subsection, a claimant shall not be considered to be married if:

18 (i) The claimant and the claimant's spouse file separate  
19 returns; and

20 (ii) The claimant and the claimant's spouse live apart at  
21 all times during the last six months of the taxable year or are  
22 separated pursuant to a written separation agreement.

23 (2) If the poverty income of the claimant during an entire  
24 taxable year does not exceed the poverty income limitations  
25 prescribed by clause (1) by more than the dollar category  
26 contained in subclauses (i), (ii), (iii), (iv), (v), (vi),  
27 (vii), (viii) or (ix) of this clause, the claimant shall be  
28 entitled to a refund or forgiveness based on the per centage  
29 prescribed in such subclauses of any moneys which have been paid  
30 over to (or would except for the provisions herein be payable

1 to) the Commonwealth under this article:

2 (i) Ninety per cent if not in excess of one hundred dollars  
3 (\$100).

4 (ii) Eighty per cent if not in excess of two hundred dollars  
5 (\$200).

6 (iii) Seventy per cent if not in excess of three hundred  
7 dollars (\$300).

8 (iv) Sixty per cent if not in excess of four hundred dollars  
9 (\$400).

10 (v) Fifty per cent if not in excess of five hundred dollars  
11 (\$500).

12 (vi) Forty per cent if not in excess of six hundred dollars  
13 (\$600).

14 (vii) Thirty per cent if not in excess of seven hundred  
15 dollars (\$700).

16 (viii) Twenty per cent if not in excess of eight hundred  
17 dollars (\$800).

18 (ix) Ten per cent if not in excess of nine hundred dollars  
19 (\$900).

20 (3) If an individual has a taxable year of less than twelve  
21 months, the poverty income thereof shall be annualized in such  
22 manner as the department may prescribe.

23 Section 2. This act shall apply to tax years beginning on  
24 January 1, 1998, and thereafter.

25 Section 3. This act shall take effect immediately.