

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILLNo. 256 Session of
2001

INTRODUCED BY COY, DeWEESE, LESCOVITZ, READSHAW, GORDNER,
BELARDI, SANTONI, ALLEN, CALTAGIRONE, VEON, M. BAKER, BARRAR,
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SOLOBAY, STABACK, STEELMAN, STURLA, SURRA, TRAVAGLIO, TRELLO,
WALKO, WANSACZ, WASHINGTON, C. WILLIAMS, WILT, WOJNAROSKI,
WRIGHT, YEWCIC, YOUNGBLOOD, YUDICHAK, ZUG AND D. EVANS,
JANUARY 29, 2001

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES,
AS AMENDED, MARCH 13, 2001

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 personal income tax
11 definitions; and providing for a higher education credit
12 against personal income tax.

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

15 Section 1. Section 301 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 definition to read:

1 Section 301. Definitions.--The following words, terms and
2 phrases when used in this article shall have the meaning
3 ascribed to them in this section except where the context
4 clearly indicates a different meaning. Unless specifically
5 provided otherwise, any reference in this article to the
6 Internal Revenue Code shall include the Internal Revenue Code of
7 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.), as amended to
8 January 1, 1997:

9 * * *

10 (o.2a) "Qualified institution of higher education" means an
11 educational institution which has the authority from a state to
12 confer degrees for the satisfactory completion of programs in
13 postsecondary education.

14 * * *

15 Section 2. The act is amended by adding a section to read:

16 Section 304.1. Credit for Higher Education.--(a) A taxpayer
17 is entitled to a credit against the tax imposed by this article
18 in accordance with this section.

19 (b) A taxpayer is eligible for the credit under this section
20 if any of the following clauses apply:

21 (1) The taxpayer is an individual who:

22 (i) is matriculated at a qualified institution of higher
23 education; and

24 (ii) pays more than half of the taxpayer's tuition at that
25 institution.

26 (2) The taxpayer:

27 (i) is the parent of a child who is matriculated at a
28 qualified institution of higher education; and

29 (ii) pays more than half of that child's tuition at that
30 institution.

1 (3) The taxpayer:

2 (i) is the spouse of an individual who is matriculated at a
3 qualified institution of higher education; and

4 (ii) pays more than half of that individual's tuition at
5 that institution.

6 (c) The amount of the credit under subsection (b) shall be
7 the per cent specified in section 302(a)(2) or (b)(2) times up
8 to five thousand dollars (\$5,000) of the amount spent by the
9 taxpayer on:

10 (1) tuition for the taxpayer under subsection (b)(1);

11 (2) tuition for each child under subsection (b)(2); and

12 (3) tuition for the spouse under subsection (b)(3).

13 Section 3. The addition of sections 301(o.2a) and 304.1 of
14 the act shall apply to taxable years beginning after December

15 ~~31, 1998~~ 31, 2000, AND TO TUITION PAID ON OR AFTER THE EFFECTIVE <—
16 DATE OF THIS ACT.

17 Section 4. This act shall take effect immediately.