

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 782 Session of 2003

INTRODUCED BY KITCHEN, MELLOW, KUKOVICH, O'PAKE, KASUNIC,
WAGNER, MUSTO, TARTAGLIONE, SCHWARTZ, HELFRICK, COSTA,
C. WILLIAMS, LOGAN, LAVALLE, FERLO, FUMO, HUGHES, WOZNIAK,
STACK, A. WILLIAMS, STOUT AND ORIE, JUNE 3, 2003

REFERRED TO FINANCE, JUNE 3, 2003

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, in personal income tax, for
11 poverty provisions.

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
16 June 29, 2002 (P.L.559, No.89), is amended to read:

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

18 (d) Any claim for special tax provisions hereunder shall be
19 determined in accordance with the following:

20 (1) If the poverty income of the claimant during an entire
21 taxable year is six thousand five hundred dollars (\$6,500) or

1 less, or, in the case of a married claimant, if the joint
2 poverty income of the claimant and the claimant's spouse during
3 an entire taxable year is thirteen thousand dollars (\$13,000) or
4 less, the claimant shall be entitled to a refund or forgiveness
5 of any moneys which have been paid over to (or would except for
6 the provisions of this act be payable to) the Commonwealth under
7 the provisions of this article, with an additional income
8 allowance of nine thousand dollars (\$9,000) for each dependent
9 of the claimant[.] for taxable years ending before January 1,
10 2003, an additional income allowance of nine thousand two
11 hundred fifty dollars (\$9,250) for each dependent of the
12 claimant for taxable years beginning after December 31, 2002,
13 and ending before January 1, 2004, and an additional allowance
14 of nine thousand five hundred dollars (\$9,500) for each
15 dependent of the claimant for taxable years beginning after
16 December 31, 2003. For purposes of this subsection, a claimant
17 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 have been except for the provisions herein be

1 payable to) the Commonwealth under this article:

2 (i) Ninety per cent if not in excess of two hundred fifty
3 dollars (\$250).

4 (ii) Eighty per cent if not in excess of five hundred
5 dollars (\$500).

6 (iii) Seventy per cent if not in excess of seven hundred
7 fifty dollars (\$750).

8 (iv) Sixty per cent if not in excess of one thousand dollars
9 (\$1,000).

10 (v) Fifty per cent if not in excess of one thousand two
11 hundred fifty dollars (\$1,250).

12 (vi) Forty per cent if not in excess of one thousand five
13 hundred dollars (\$1,500).

14 (vii) Thirty per cent if not in excess of one thousand seven
15 hundred fifty dollars (\$1,750).

16 (viii) Twenty per cent if not in excess of two thousand
17 dollars (\$2,000).

18 (ix) Ten per cent if not in excess of two thousand two
19 hundred fifty dollars (\$2,250).

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 take effect July 1, 2003, or
24 immediately, whichever is later.