

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL****No. 377** Session of  
2007

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INTRODUCED BY D. EVANS, BENNINGTON, BUXTON, CALTAGIRONE, CURRY,  
FREEMAN, GALLOWAY, LEVDANSKY, MARKOSEK, MYERS, PARKER,  
PRESTON, WALKO, WHEATLEY, PETRONE, WAGNER, KORTZ AND FRANKEL,  
FEBRUARY 13, 2007

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AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF  
REPRESENTATIVES, AS AMENDED, NOVEMBER 14, 2007

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## 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 an alternative special tax provision  
11 for poverty.

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

14 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as  
15 the Tax Reform Code of 1971, is amended by adding a section to  
16 read:

17 Section 304.1. Alternative Special Tax Provision for  
18 Poverty.--(a) Pursuant to section 2(b)(ii) of Article VIII of  
19 the Constitution of the Commonwealth of Pennsylvania, which  
20 provides for establishing as a class or classes of subjects of  
21 taxation the property or privileges of persons who, because of

1 poverty, are determined to be in need of special tax provisions,  
2 the General Assembly hereby declares its intent and purpose to  
3 exercise its power pursuant to that section by enacting the  
4 alternative tax provisions of this section.

5 (b) Having determined that there are certain persons in this  
6 Commonwealth whose incomes are such that imposition of an income  
7 tax would deprive them and their dependents of bare necessities  
8 of life, and having determined that poverty is a relative  
9 concept inextricably joined with actual income and the number of  
10 people dependent upon such income, the General Assembly deems it  
11 to be a matter of public policy to provide special tax  
12 provisions for that class of persons to relieve their economic  
13 burden.

14 (c) For ~~taxable years~~ THE TAXABLE YEAR beginning after <—  
15 December 31, 2007, an individual having one or more dependents  
16 may, in lieu of utilizing the special tax provisions for poverty  
17 in section 304, claim a refund equal to ~~thirty~~ FIFTEEN per cent <—  
18 of the earned income credit allowable under section 32 of the  
19 Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §  
20 32), as amended.

21 (D) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2008, AN <—  
22 INDIVIDUAL HAVING ONE OR MORE DEPENDENTS MAY, IN LIEU OF  
23 UTILIZING THE SPECIAL TAX PROVISIONS FOR POVERTY IN SECTION 304,  
24 CLAIM A REFUND EQUAL TO THIRTY PER CENT OF THE EARNED INCOME  
25 CREDIT ALLOWABLE UNDER SECTION 32 OF THE INTERNAL REVENUE CODE  
26 OF 1986, AS AMENDED.

27 Section 2. This act shall take effect immediately.