
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1386 Session of
2008

INTRODUCED BY REGOLA, CORMAN, VANCE, EICHELBERGER, BROWNE,
SCARNATI, PILEGGI, MADIGAN, RAFFERTY, FOLMER, KASUNIC, ORIE,
ERICKSON, PIPPY, WAUGH, BAKER, RHOADES, GORDNER, WONDERLING,
GREENLEAF AND BRUBAKER, MAY 23, 2008

REFERRED TO FINANCE, MAY 23, 2008

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 of the act of March 4, 1971 (P.L.6,
15 No.2), known as the Tax Reform Code of 1971, amended December
16 13, 1991 (P.L.373, No.40) and December 23, 2003 (P.L.250,
17 No.46), is amended to read:

18 Section 304. Special Tax Provisions for Poverty.--(a) The
19 General Assembly, in recognition of the powers contained in
20 section 2(b)(ii) of Article VIII of the Constitution of the
21 Commonwealth of Pennsylvania which provides therein for the

1 establishing as a class or classes of subjects of taxation the
2 property or privileges of persons who, because of poverty are
3 determined to be in need of special tax provisions hereby
4 declares as its legislative intent and purpose to implement such
5 power under such constitutional provision by establishing
6 special tax provisions as hereinafter provided in this act.

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

16 (c) For the taxable year 1974 and each year thereafter any
17 claimant who meets the following standards of eligibility
18 established by this act as the test for poverty shall be deemed
19 a separate class of subject of taxation, and, as such, shall be
20 entitled to the benefit of the special provisions of this act.

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

23 (1) If the poverty income of the claimant during an entire
24 taxable year is [six thousand five hundred dollars (\$6,500) or
25 less, or, in the case of a married claimant, if the joint
26 poverty income of the claimant and the claimant's spouse during
27 an entire taxable year is thirteen thousand dollars (\$13,000) or
28 less] the amount under clause (1.1)(i), the claimant shall be
29 entitled to a refund or forgiveness of any moneys which have
30 been paid over to (or would except for the provisions of this

1 act be payable to) the Commonwealth under the provisions of this
2 article, with an additional income allowance of [nine thousand
3 five hundred dollars (\$9,500)] the amount under clause (1.1)(ii)
4 for each dependent of the claimant. For purposes of this
5 subsection, a claimant shall not be considered to be married if:

6 (i) The claimant and the claimant's spouse file separate
7 returns; and

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

11 (1.1) (i) The amount of poverty income of a claimant during
12 an entire taxable year under clause (1) shall be as follows:

13 (A) For taxable years ending before January 1, 2008, the
14 amount shall be six thousand five hundred dollars (\$6,500) or
15 less, or, in the case of a married claimant, the amount shall be
16 thirteen thousand dollars (\$13,000) or less.

17 (B) For taxable years ending after December 31, 2007, and
18 before January 1, 2009, the amount shall be seven thousand five
19 hundred dollars (\$7,500) or less, or, in the case of a married
20 claimant, the amount shall be fifteen thousand dollars (\$15,000)
21 or less.

22 (C) For taxable years ending after December 31, 2008, and
23 before January 1, 2010, the amount shall be eight thousand
24 dollars (\$8,000) or less, or, in the case of a married claimant,
25 the amount shall be sixteen thousand dollars (\$16,000) or less.

26 (D) For taxable years ending after December 31, 2009, the
27 amount shall be eight thousand five hundred dollars (\$8,500) or
28 less, or, in the case of a married claimant, the amount shall be
29 seventeen thousand dollars (\$17,000) or less.

30 (ii) The additional income allowance for each dependent of a

1 claimant under clause (1) shall be as follows:

2 (A) For taxable years ending before January 1, 2009, the
3 amount shall be nine thousand five hundred dollars (\$9,500).

4 (B) For taxable years ending after December 31, 2008, and
5 before January 1, 2010, the amount shall be nine thousand seven
6 hundred and fifty dollars (\$9,750).

7 (C) For taxable years ending after December 31, 2009, the
8 amount shall be ten thousand dollars (\$10,000).

9 (2) If the poverty income of the claimant during an entire
10 taxable year does not exceed the poverty income limitations
11 prescribed by clause (1) by more than the dollar category
12 contained in subclauses (i), (ii), (iii), (iv), (v), (vi),
13 (vii), (viii) or (ix) of this clause, the claimant shall be
14 entitled to a refund or forgiveness based on the per centage
15 prescribed in such subclauses of any moneys which have been paid
16 over to (or would have been except for the provisions herein be
17 payable to) the Commonwealth under this article:

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

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

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

24 (iv) Sixty per cent if not in excess of one thousand dollars
25 (\$1,000).

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

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

30 (vii) Thirty per cent if not in excess of one thousand seven

1 hundred fifty dollars (\$1,750).

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

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

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

9 Section 2. This act shall take effect in 60 days.