
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1703 Session of
2013

INTRODUCED BY MIRANDA, COHEN, CALTAGIRONE AND MURT,
SEPTEMBER 25, 2013

REFERRED TO COMMITTEE ON FINANCE, SEPTEMBER 25, 2013

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 for child support tax credit.

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

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

16 ARTICLE XIX-B

17 CHILD SUPPORT TAX CREDIT

18 Section 1901-B. Scope of article.

19 This article relates to child support tax credits.

20 Section 1902-B. Definitions.

21 The following words and phrases when used in this article

22 shall have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 "Child support payments." Payments made under child support
3 awarded pursuant to the Statewide guideline established by the
4 Supreme Court under the authority of 23 Pa.C.S. § 4322 (relating
5 to support guidelines).

6 "Department." The Department of Revenue of the Commonwealth.

7 "Qualified tax liability." The liability for taxes imposed
8 under Article III for the taxable year.

9 "Tax credit." The tax credit under this article available to
10 those making child support payments.

11 "Taxpayer." An individual subject to payment of taxes under
12 Article III.

13 Section 1903-B. Application.

14 (a) Application to department.--A taxpayer may submit an
15 application for a tax credit under this article in a manner
16 required by the department. The application shall contain the
17 following information:

18 (1) The name and tax identification number of the
19 taxpayer.

20 (2) The names of all children for whom the taxpayer
21 provides child support.

22 (3) Certification of payment of child support as
23 determined by the department.

24 (4) Any other information deemed appropriate by the
25 department.

26 (b) Procedure.--The application shall be attached to the
27 taxpayer's annual tax return required to be filed under Article
28 III.

29 Section 1904-B. Taxpayer credit.

30 (a) Credit.--A taxpayer shall be eligible for a tax credit

1 under subsection (b) against the tax imposed under Article III
2 if the taxpayer makes all child support payments during the tax
3 year on time.

4 (b) Maximum credit.--A taxpayer who qualifies under
5 subsection (a) may claim a tax credit of \$300 against the
6 qualified tax liability of the taxpayer.

7 Section 1905-B. Carryover and carryback.

8 (a) General rule.--If the taxpayer cannot use the entire
9 amount of tax credit for the taxable year in which the taxpayer
10 is eligible for the credit, the excess may be carried over to
11 succeeding taxable years and used as a credit against the
12 qualified tax liability of the taxpayer for those taxable years.
13 Each time the tax credit is carried over to a succeeding taxable
14 year, it shall be reduced by the amount that was used as a
15 credit during the immediately preceding taxable year. The tax
16 credit provided by this article may be carried over and applied
17 to succeeding taxable years for no more than three taxable years
18 following the first taxable year for which the taxpayer was
19 entitled to claim the credit.

20 (b) Application.--A tax credit approved by the department in
21 a taxable year shall first be applied against the taxpayer's
22 qualified liability for the current taxable year as of the date
23 on which the credit was approved before the tax credit can be
24 applied against any tax liability under subsection (a).

25 (c) Limitations.--A taxpayer is not entitled to carry back,
26 obtain a refund of, sell or assign an unused tax credit.
27 Section 1906-B. Guidelines.

28 The department shall adopt guidelines, including forms,
29 necessary to administer this article. The department may require
30 proof of the claim for tax credit.

1 Section 1907-B. Penalty.

2 A taxpayer who claims a credit under this article, but fails
3 to meet the standards under section 1905-B, shall repay the full
4 amount of the tax credit to the Commonwealth.

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