

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1162 Session of 2015

INTRODUCED BY SCHWEYER, PICKETT, YOUNGBLOOD, O'BRIEN, McNEILL, ACOSTA, A. HARRIS, BROWNLEE, SCHREIBER, THOMAS, GIBBONS, COHEN, SABATINA, D. COSTA, WATSON, D. MILLER AND DAVIDSON, MAY 12, 2015

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, OCTOBER 20, 2015

AN ACT

1 Amending the act of June 27, 2006 (1st Sp.Sess., P.L.1873,
2 No.1), entitled "An act providing for taxation by school
3 districts, for the State funds formula, for tax relief in
4 first class cities, for school district choice and voter
5 participation, for other school district options and for a
6 task force on school cost reduction; making an appropriation;
7 prohibiting prior authorized taxation; providing for
8 installment payment of taxes; restricting the power of
9 certain school districts to levy, assess and collect taxes;
10 and making related repeals," further providing for
11 definitions.

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

14 Section 1. The definition of "income" in section 1303 of the
15 act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known as
16 the Taxpayer Relief Act, amended Oct 22, 2014 (P.L.2555,
17 No.156), is amended AND THE SECTION IS AMENDED BY ADDING A <--
18 DEFINITION to read:

19 Section 1303. Definitions.

20 The following words and phrases when used in this chapter
21 shall have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 \* \* \*

3 "Income." All income from whatever source derived,  
4 including, but not limited to:

5 (1) Salaries, wages, bonuses, commissions, income from  
6 self-employment, alimony, support money, cash public  
7 assistance and relief.

8 (2) The gross amount of any pensions or annuities,  
9 including [railroad]:

10 (i) Railroad retirement benefits for calendar years  
11 prior to 1999 and 50% of railroad retirement benefits for  
12 calendar years 1999 and thereafter.

13 ~~(ii) Federal Civil Service Retirement System~~ <--  
14 ~~benefits for calendar years prior to 2015 and 50% of~~  
15 ~~Federal Civil Service Retirement System benefits for~~  
16 ~~calendar years 2015 and thereafter.~~

17 (II) SOCIAL SECURITY SUBSTITUTE PENSIONS FOR <--  
18 CALENDAR YEARS PRIOR TO 2015 AND 50% OF SOCIAL SECURITY  
19 SUBSTITUTE PENSIONS FOR CALENDAR YEARS 2015 AND  
20 THEREAFTER.

21 (3) (i) All benefits received under the Social Security  
22 Act (49 Stat. 620, 42 U.S.C. § 301 et seq.), except  
23 Medicare benefits, for calendar years prior to 1999, and  
24 50% of all benefits received under the Social Security  
25 Act, except Medicare benefits, for calendar years 1999  
26 and thereafter.

27 (ii) Notwithstanding any other provision of this act  
28 to the contrary, persons who, as of December 31, 2012,  
29 are eligible for the property tax or rent rebate shall  
30 remain eligible if the household income limit is exceeded

1 due solely to a Social Security cost-of-living  
2 adjustment.

3 (iii) Eligibility in the property tax and rent  
4 rebate program pursuant to subparagraph (ii) shall expire  
5 on December 31, 2016.

6 (4) All benefits received under State unemployment  
7 insurance laws and veterans' disability payments.

8 (5) All interest received from the Federal or any state  
9 government or any instrumentality or political subdivision  
10 thereof.

11 (6) Realized capital gains and rentals.

12 (7) Workers' compensation.

13 (8) The gross amount of loss of time insurance benefits,  
14 life insurance benefits and proceeds, except the first \$5,000  
15 of the total of death benefit payments.

16 (9) Gifts of cash or property, other than transfers by  
17 gift between members of a household, in excess of a total  
18 value of \$300.

19 The term does not include surplus food or other relief in kind  
20 supplied by a governmental agency, property tax or rent rebate  
21 or inflation dividend.

22 \* \* \*

23 "SOCIAL SECURITY SUBSTITUTE PENSION." A PENSION THAT IS <--  
24 PROVIDED IN LIEU OF OLD AGE AND SURVIVOR BENEFIT PAYMENTS UNDER  
25 THE SOCIAL SECURITY ACT (49 STAT. 620, 42 U.S.C. § 301 ET SEQ.)  
26 TO A PERSON WHOSE EMPLOYMENT WAS NOT COVERED UNDER THE SOCIAL  
27 SECURITY ACT. THE AMOUNT OF THE PENSION THAT QUALIFIES AS A  
28 "SOCIAL SECURITY SUBSTITUTE PENSION" SHALL NOT EXCEED THE  
29 MAXIMUM FEDERAL OLD AGE AND SURVIVOR BENEFIT PAYMENTS, LESS ANY  
30 FEDERAL OLD AGE AND SURVIVOR BENEFIT PAYMENTS RECEIVED UNDER THE

1 SOCIAL SECURITY ACT FOR EMPLOYMENT COVERED UNDER THE SOCIAL  
2 SECURITY ACT.

3 \* \* \*

4 Section 2. This act shall take effect ~~in 60 days.~~ <--

5 IMMEDIATELY. <--