

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1696 Session of 2015

INTRODUCED BY WHEATLEY, ROZZI, V. BROWN, CALTAGIRONE, MCCLINTON, SCHLOSSBERG, BISHOP, KINSEY, O'BRIEN, BULLOCK, DRISCOLL, READSHAW, SCHWEYER, GODSHALL, McNEILL, DEAN, GIBBONS AND FARINA, NOVEMBER 12, 2015

REFERRED TO COMMITTEE ON FINANCE, NOVEMBER 12, 2015

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," in personal income tax, further providing for
 11 classes of income; and in corporate income tax, further
 12 providing for definitions.

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

15 Section 1. Section 303 of the act of March 4, 1971 (P.L.6,
 16 No.2), known as the Tax Reform Code of 1971, is amended by
 17 adding a subsection to read:

18 Section 303. Classes of Income.--* * *

19 (a.9) (1) An additional deduction shall be allowed from
 20 taxable income for an employer's qualified first-year wages on
 21 the annual personal income tax return, which shall be in the
 22 following amount:

1 (i) Ten per cent deduction for not less than 120 hours
2 worked and thirty per cent deduction for not less than 400 hours
3 worked for an employe who is a veteran of the United States
4 Armed Forces or National Guard and:

5 (A) is a member of a family receiving assistance from the
6 Supplemental Nutrition Assistance Program (SNAP) for at least
7 three months during a fifteen-month period ending on the hiring
8 date;

9 (B) was hired within one year of discharge or release from
10 active duty or was unemployed for at least six months in the
11 year ending on the hiring date and is entitled to compensation
12 for a service-connected disability; or

13 (C) has had aggregate periods of unemployment of not less
14 than four weeks and not more than six months during the one-year
15 period ending on the employe's hiring date.

16 (ii) Nine per cent deduction for not less than 120 hours
17 worked and twenty-seven per cent deduction for not less than 400
18 hours worked for an employe receiving Temporary Assistance for
19 Needy Families (TANF).

20 (iii) Eight per cent deduction for not less than 120 hours
21 worked and twenty-four per cent deduction for not less than 400
22 hours worked for an employe who was not less than 18 years of
23 age nor more than 39 years of age at the employe's hiring date
24 and is a member of a family that:

25 (A) has received assistance from SNAP for six months during
26 the one-year period ending on the hiring date; or

27 (B) received assistance from SNAP for a total of three
28 months during the five months ending on the employe's hiring
29 date.

30 (iv) Seven per cent deduction for not less than 120 hours

1 worked and twenty-one per cent deduction for not less than 400
2 hours worked for an employe who has received rehabilitative
3 assistance under the act of December 20, 1988 (P.L.1306,
4 No.167), known as the Vocational Rehabilitation Act.

5 (v) Six per cent deduction for not less than 120 hours
6 worked and eighteen per cent deduction for not less than 400
7 hours worked for an employe who has been convicted of a felony
8 and was hired not more than one year after the employe was
9 convicted or released from prison, whichever is later.

10 (vi) Five per cent deduction for not less than 120 hours
11 worked and fifteen per cent deduction for not less than 400
12 hours worked for an employe who received Federal Supplemental
13 Security Income (SSI) during any month ending within the sixty-
14 day period prior to the employe's hiring date.

15 (2) The department may request any documentation the
16 department deems necessary from an employer to verify that the
17 employer qualifies for the deduction under this subsection.

18 (3) The deduction under this subsection shall not result in
19 taxable income being less than zero.

20 (4) For the purposes of this subsection, the following terms
21 or phrases shall have the following meanings:

22 (i) "Hiring date" means the date on which the employer hired
23 an employe.

24 (ii) "Qualified first-year wages" means the qualified wages
25 paid to an employe for services rendered during the one-year
26 period beginning on the employe's hiring date.

27 (iii) "Qualified wages" means the wages paid or incurred by
28 an employer during the taxable year to a member of an employe
29 group listed under paragraph (1).

30 (iv) "Veteran" means a former member of the military or

1 naval service of the United States or National Guard who:
2 (A) served on active duty for more than one hundred eighty
3 days;
4 (B) was discharged or released from active duty for a
5 service-connected disability; or
6 (C) was not on active duty during the sixty-day period
7 ending on the hiring date.

8 * * *

9 Section 2. Section 401(3)1 of the act is amended by adding a
10 phrase to read:

11 Section 401. Definitions.--The following words, terms, and
12 phrases, when used in this article, shall have the meaning
13 ascribed to them in this section, except where the context
14 clearly indicates a different meaning:

15 * * *

16 (3) "Taxable income." * * *

17 (b.2) (1) An additional deduction shall be allowed from
18 taxable income for an employer's qualified first-year wages,
19 which shall be in the following amount:

20 (i) Ten per cent deduction for not less than 120 hours
21 worked and thirty per cent deduction for not less than 400 hours
22 worked for an employe who is a veteran of the United States
23 Armed Forces or National Guard and:

24 (A) is a member of a family receiving assistance from the
25 Supplemental Nutrition Assistance Program (SNAP) for at least
26 three months during a fifteen-month period ending on the hiring
27 date;

28 (B) was hired within one year of discharge or release from
29 active duty or was unemployed for at least six months in the
30 year ending on the hiring date and is entitled to compensation

1 for a service-connected disability; or

2 (C) has had aggregate periods of unemployment of not less
3 than four weeks and not more than six months during the one-year
4 period ending on the employe's hiring date.

5 (ii) Nine per cent deduction for not less than 120 hours
6 worked and twenty-seven per cent deduction for not less than 400
7 hours worked for an employe receiving Temporary Assistance for
8 Needy Families (TANF).

9 (iii) Eight per cent deduction for not less than 120 hours
10 worked and twenty-four per cent deduction for not less than 400
11 hours worked for an employe who was not less than 18 years of
12 age nor more than 39 years of age at the employe's hiring date
13 and is a member of a family that:

14 (A) has received assistance from the SNAP for six months
15 during the one-year period ending on the hiring date; or

16 (B) received assistance from the SNAP for a total of three
17 months during the five months ending on the employe's hiring
18 date.

19 (iv) Seven per cent deduction for not less than 120 hours
20 worked and twenty-one per cent deduction for not less than 400
21 hours worked for an employe who has received rehabilitative
22 assistance under the act of December 20, 1988 (P.L.1306,
23 No.167), known as the Vocational Rehabilitation Act.

24 (v) Six per cent deduction for not less than 120 hours
25 worked and eighteen per cent deduction for not less than 400
26 hours worked for an employe who has been convicted of a felony
27 and was hired not more than one year after the employe was
28 convicted or released from prison, whichever is later.

29 (vi) Five per cent deduction for not less than 120 hours
30 worked and fifteen per cent deduction for not less than 400

1 hours worked for an employe who received Federal Supplemental
2 Security Income (SSI) during any month ending within the sixty-
3 day period prior to the employe's hiring date.

4 (2) The department may request any documentation the
5 department deems necessary from an employer to verify that the
6 employer qualifies for the deduction under this phrase.

7 (3) The deduction under this phrase shall not result in
8 taxable income being less than zero.

9 (4) For the purposes of this phrase, the following terms or
10 phrases shall have the following meanings:

11 (i) "Hiring date" means the date on which the employer hired
12 an employe.

13 (ii) "Qualified first-year wages" means the qualified wages
14 paid to an employe for services rendered during the one-year
15 period beginning on the employe's hiring date.

16 (iii) "Qualified wages" means the wages paid or incurred by
17 an employer during the taxable year to a member of an employe
18 group listed under paragraph (1).

19 (iv) "Veteran" means a former member of the military or
20 naval service of the United States or National Guard who:

21 (A) served on active duty for more than one hundred eighty
22 days;

23 (B) was discharged or released from active duty for a
24 service-connected disability; or

25 (C) was not on active duty during the sixty-day period
26 ending on the hiring date.

27 * * *

28 Section 3. This act shall take effect in 60 days.