
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 538 Session of
2019

INTRODUCED BY FLYNN, BERNSTINE, SCHLOSSBERG, MURT, NEILSON,
HILL-EVANS, KORTZ AND KINSEY, FEBRUARY 19, 2019

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 19, 2019

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.

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

14 Section 1. Section 303(a.7) (2) of the act of March 4, 1971
15 (P.L.6, No.2), known as the Tax Reform Code of 1971, is amended
16 to read:

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

18 (a.7) The following apply:

19 * * *

20 (2) (i) The following shall not be subject to tax under
21 this article:

22 (A) Any amount distributed from a qualified tuition program

1 that is excludable from tax under section 529(c)(3)(B) of the
2 Internal Revenue Code of 1986, as amended.

3 (B) Any rollover that is excludable from tax under section
4 529(c)(3)(C) of the Internal Revenue Code of 1986, as amended.

5 (C) Undistributed earnings on a qualified tuition program.

6 (D) The value of a medal awarded in or prize money received
7 from the United States Olympic Committee on account of
8 competition in the Olympic Games or Paralympic Games.

9 (ii) A change in designated beneficiaries under section
10 529(c)(3)(C) of the Internal Revenue Code of 1986, as amended,
11 shall not constitute a taxable event under this article.

12 * * *

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