

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2897 Session of 2020

INTRODUCED BY M. K. KELLER, PASHINSKI, BARRAR, BERNSTINE,
BOBACK, CAUSER, SCHLEGEL CULVER, DAVANZO, HILL-EVANS, JAMES,
JONES, JOZWIAK, KAUFFMAN, KEEFER, KORTZ, LONGIETTI,
MACKENZIE, MARSHALL, METZGAR, MILLARD, MOUL, MULLERY,
PICKETT, RADER, READSHAW, RYAN AND ZIMMERMAN,
SEPTEMBER 29, 2020

REFERRED TO COMMITTEE ON FINANCE, SEPTEMBER 29, 2020

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

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

18 (a.10) The following apply:

19 (1) A person who receives insurance proceeds as a result of
20 destruction or damage to crops may elect to include the proceeds

1 in income for the taxable year following the taxable year of
2 destruction or damage, if the person establishes that, under the
3 person's practice, income from the crops would have been
4 reported in a following taxable year.

5 (2) For purposes of this subsection, the term "insurance
6 proceeds" shall mean payments received under the Agricultural
7 Act of 1949 (Public Law 81-439, 63 Stat. 1051), as amended, or
8 Title II of the Robert T. Stafford Disaster Relief and Emergency
9 Assistance Act of 1988 (Public Law 100-707, 102 Stat. 4689), as
10 a result of:

11 (i) the destruction or damage to crops caused by drought,
12 flood or other natural disaster; or

13 (ii) the inability to plant crops because of drought, flood
14 or other natural disaster.

15 * * *

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