

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 358 Session of 2019

INTRODUCED BY BOSCOLA, COSTA, MENSCH, BREWSTER, HAYWOOD AND YUDICHAK, MARCH 4, 2019

REFERRED TO FINANCE, MARCH 4, 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 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) An amount paid as real property taxes that exceeds the
 20 amount of the deduction for real property taxes permitted under
 21 section 164(b) (6) (B) of the Internal Revenue Code of 1986
 22 (Public Law 99-514, 26 U.S.C. § 164(b) (6) (B)) shall be

1 deductible from taxable income on the annual personal income tax
2 return. The deduction shall not result in taxable income being
3 less than zero.

4 (2) For purposes of this subsection:

5 (i) The term "homestead" means the owner-occupied, primary
6 residence and the parcel of land within this Commonwealth on
7 which the residence is located and other improvements located on
8 the parcel. If a portion of the structure is used for a
9 nonresidential purpose, the homestead is equal to that portion
10 of the property used as the primary residence of the owner-
11 occupant.

12 (ii) The term "real property tax" means the total real
13 property tax imposed by a school district on a homestead for the
14 tax year. Real property tax imposed by a city of the first class
15 shall constitute taxes imposed by a school district for the
16 purposes of this definition. The term does not include payments
17 made in lieu of taxes or any penalties or interest paid in
18 connection with the tax.

19 (iii) The term "residence" means a structure used as a place
20 of habitation by the owner of the structure.

21 * * *

22 Section 2. The addition of section 303(a.10) of the act
23 shall apply to taxable years beginning after December 31, 2019.

24 Section 3. This act shall take effect immediately.