
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 514 Session of
2019

INTRODUCED BY BAKER, SANTARSIERO, K. WARD, COSTA AND BREWSTER,
APRIL 4, 2019

REFERRED TO FINANCE, APRIL 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 definitions and for special tax provisions for poverty.

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

14 Section 1. Sections 301(c.2) and 304 of the act of March 4,
15 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, are
16 amended to read:

17 Section 301. Definitions.--Any reference in this article to
18 the Internal Revenue Code of 1986 shall mean the Internal
19 Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.),
20 as amended to January 1, 1997, unless the reference contains the
21 phrase "as amended" and refers to no other date, in which case
22 the reference shall be to the Internal Revenue Code of 1986 as

1 it exists as of the time of application of this article. The
2 following words, terms and phrases when used in this article
3 shall have the meaning ascribed to them in this section except
4 where the context clearly indicates a different meaning:

5 * * *

6 (c.2) "Claimant" means either:

7 (1) a person who is subject to the tax imposed under this
8 article, is not a dependent of another taxpayer for purposes of
9 section 151 of the Internal Revenue Code of 1986 (Public Law 99-
10 514, 26 U.S.C. § 151), but is entitled to claim against such tax
11 the poverty tax provisions as provided by this act[.]; or

12 (2) a person who is subject to the tax imposed under this
13 article and is enrolled as a full-time student at an institution
14 of higher education, regardless of whether the person is a
15 dependent of another taxpayer for purposes of section 151 of the
16 Internal Revenue Code of 1986, but is entitled to claim against
17 such tax the poverty tax provisions as provided by this act.

18 * * *

19 Section 304. Special Tax Provisions for Poverty.--(a) The
20 General Assembly, in recognition of the powers contained in
21 section 2(b)(ii) of Article VIII of the Constitution of the
22 Commonwealth of Pennsylvania which provides therein for the
23 establishing as a class or classes of subjects of taxation the
24 property or privileges of persons who, because of poverty are
25 determined to be in need of special tax provisions hereby
26 declares as its legislative intent and purpose to implement such
27 power under such constitutional provision by establishing
28 special tax provisions as hereinafter provided in this act.

29 (b) The General Assembly having determined that there are
30 persons within this Commonwealth whose incomes are such that

1 imposition of a tax thereon would deprive them and their
2 dependents of the bare necessities of life and having further
3 determined that poverty is a relative concept inextricably
4 joined with actual income and the number of people dependent
5 upon such income deems it to be a matter of public policy to
6 provide special tax provisions for that class of persons
7 hereinafter designated to relieve their economic burden.

8 (c) For the taxable year 1974 and each year thereafter any
9 claimant as defined under section 301(c.2)(1) who meets the
10 [following] standards of eligibility established by this act as
11 the test for poverty shall be deemed a separate class of subject
12 of taxation, and, as such, shall be entitled to the benefit of
13 the special provisions of this act.

14 (c.1) For the taxable year 2016 and each year thereafter any
15 claimant as defined under section 301(c.2)(2) who meets the
16 standards of eligibility established by this act as the test for
17 poverty shall be deemed a separate class of subject of taxation,
18 and, as such, shall be entitled to the benefit of the special
19 provisions of this act. This subsection shall not apply if the
20 parents of the claimant are themselves entitled to the benefit
21 of the special provisions of this act.

22 (d) Any claim for special tax provisions [hereunder] under
23 subsection (c) shall be determined in accordance with the
24 following:

25 (1) If the poverty income of the claimant during an entire
26 taxable year is six thousand five hundred dollars (\$6,500) or
27 less, or, in the case of a married claimant, if the joint
28 poverty income of the claimant and the claimant's spouse during
29 an entire taxable year is thirteen thousand dollars (\$13,000) or
30 less, the claimant shall be entitled to a refund or forgiveness

1 of any moneys which have been paid over to (or would except for
2 the provisions of this act be payable to) the Commonwealth under
3 the provisions of this article, with an additional income
4 allowance of nine thousand five hundred dollars (\$9,500) for
5 each dependent of the claimant. For purposes of this subsection,
6 a claimant shall not be considered to be married if:

7 (i) The claimant and the claimant's spouse file separate
8 returns; and

9 (ii) The claimant and the claimant's spouse live apart at
10 all times during the last six months of the taxable year or are
11 separated pursuant to a written separation agreement.

12 (2) If the poverty income of the claimant during an entire
13 taxable year does not exceed the poverty income limitations
14 prescribed by clause (1) by more than the dollar category
15 contained in [subclauses] subclause (i), (ii), (iii), (iv), (v),
16 (vi), (vii), (viii) or (ix) of this clause, the claimant shall
17 be entitled to a refund or forgiveness based on the per centage
18 prescribed in such subclauses of any moneys which have been paid
19 over to (or would have been except for the provisions herein be
20 payable to) the Commonwealth under this article:

21 (i) Ninety per cent if not in excess of two hundred fifty
22 dollars (\$250).

23 (ii) Eighty per cent if not in excess of five hundred
24 dollars (\$500).

25 (iii) Seventy per cent if not in excess of seven hundred
26 fifty dollars (\$750).

27 (iv) Sixty per cent if not in excess of one thousand dollars
28 (\$1,000).

29 (v) Fifty per cent if not in excess of one thousand two
30 hundred fifty dollars (\$1,250).

1 (vi) Forty per cent if not in excess of one thousand five
2 hundred dollars (\$1,500).

3 (vii) Thirty per cent if not in excess of one thousand seven
4 hundred fifty dollars (\$1,750).

5 (viii) Twenty per cent if not in excess of two thousand
6 dollars (\$2,000).

7 (ix) Ten per cent if not in excess of two thousand two
8 hundred fifty dollars (\$2,250).

9 (3) If an individual has a taxable year of less than twelve
10 months, the poverty income thereof shall be annualized in such
11 manner as the department may prescribe.

12 (e) A claim for special tax provisions under subsection
13 (c.1) shall be determined in accordance with the following:

14 (1) If the poverty income of the claimant during an entire
15 taxable year is six thousand five hundred dollars (\$6,500) or
16 less, the claimant shall be entitled to a refund or forgiveness
17 of any moneys that have been paid over to (or would except for
18 the provisions of this act be payable to) the Commonwealth under
19 the provisions of this article; or

20 (2) If the poverty income of the claimant during an entire
21 taxable year does not exceed the poverty income limitations
22 prescribed under clause (1) by more than the dollar category
23 contained in subclause (i), (ii), (iii), (iv), (v), (vi), (vii),
24 (viii) or (ix), the claimant shall be entitled to a refund or
25 forgiveness based on the percentage prescribed in such
26 subclauses of any moneys that have been paid over to (or would
27 have been, except for the provisions herein, payable to) the
28 Commonwealth under this article:

29 (i) Ninety per cent if not in excess of two hundred fifty
30 dollars (\$250).

1 (ii) Eighty per cent if not in excess of five hundred
2 dollars (\$500).

3 (iii) Seventy per cent if not in excess of seven hundred
4 fifty dollars (\$750).

5 (iv) Sixty per cent if not in excess of one thousand dollars
6 (\$1,000).

7 (v) Fifty per cent if not in excess of one thousand two
8 hundred fifty dollars (\$1,250).

9 (vi) Forty per cent if not in excess of one thousand five
10 hundred dollars (\$1,500).

11 (vii) Thirty per cent if not in excess of one thousand seven
12 hundred fifty dollars (\$1,750).

13 (viii) Twenty per cent if not in excess of two thousand
14 dollars (\$2,000).

15 (ix) Ten per cent if not in excess of two thousand two
16 hundred fifty dollars (\$2,250).

17 (3) If an individual has a taxable year of less than twelve
18 months, the poverty income for that year shall be annualized in
19 such manner as the department may prescribe.

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