

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1037 Session of 2020

INTRODUCED BY DiSANTO, MENSCH, BAKER, TARTAGLIONE, REGAN,
 PHILLIPS-HILL, MASTRIANO, PITTMAN, K. WARD, SCAVELLO AND
 BARTOLOTTA, FEBRUARY 13, 2020

REFERRED TO FINANCE, FEBRUARY 13, 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 special tax provisions for poverty.

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

14 Section 1. Section 304(d) (1) of the act of March 4, 1971
 15 (P.L.6, No.2), known as the Tax Reform Code of 1971, is amended
 16 and the subsection is amended by adding a clause to read:

17 Section 304. Special Tax Provisions for Poverty.--* * *

18 (d) Any claim for special tax provisions hereunder shall be
 19 determined in accordance with the following:

20 (1) If the poverty income of the claimant during an entire
 21 taxable year is [six thousand five hundred dollars (\$6,500)] six
 22 thousand eight hundred and twenty-five dollars (\$6,825) or less,

1 or, in the case of a married claimant, if the joint poverty
2 income of the claimant and the claimant's spouse during an
3 entire taxable year is [thirteen thousand dollars (\$13,000)]
4 thirteen thousand six hundred and fifty dollars (\$13,650) or
5 less, the claimant shall be entitled to a refund or forgiveness
6 of any moneys which have been paid over to (or would except for
7 the provisions of this act be payable to) the Commonwealth under
8 the provisions of this article, with an additional income
9 allowance of [nine thousand five hundred dollars (\$9,500)] nine
10 thousand nine hundred and seventy-five dollars (\$9,975) for each
11 dependent of the claimant. For purposes of this subsection, a
12 claimant shall not be considered to be married if:

13 (i) The claimant and the claimant's spouse file separate
14 returns; and

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

18 * * *

19 (4) For the tax year beginning after December 31, 2020, and
20 each tax year thereafter, the department shall increase the
21 poverty income amounts under clause (1) by applying the annual
22 cost-of-living adjustment calculated by the percentage change in
23 the Consumer Price Index for All Urban Consumers (CPI-U) for the
24 Pennsylvania, New Jersey, Delaware and Maryland area for the
25 most recent twelve-month period for which figures have been
26 officially reported by the United States Department of Labor,
27 Bureau of Labor Statistics. The department shall apply the
28 increase to the current poverty income amounts immediately prior
29 to the date the adjustment is due to take effect. The percentage
30 change under this clause and the adjusted poverty income amounts

1 under clause (1) shall be determined by the department before
2 the adjustment is due to take effect. The department shall round
3 up the adjusted poverty income amounts under clause (1) to the
4 nearest ten dollars (\$10). The department shall transmit a
5 notice of the percentage change under this clause and the
6 adjusted poverty income amounts under clause (1) to the
7 Legislative Reference Bureau for publication in the Pennsylvania
8 Bulletin no later than ten days from the date the department
9 determines the adjustment. The department may not decrease the
10 poverty income amounts under clause (1) as a result of a
11 negative percentage change in the annual cost-of-living
12 adjustment in the Consumer Price Index for All Urban Consumers
13 (CPI-U) for the Pennsylvania, New Jersey, Delaware and Maryland
14 area.

15 Section 2. The amendment of section 304(d)(1) of the act
16 shall apply to tax years beginning after December 31, 2019.

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