
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1805 Session of
2021

INTRODUCED BY SIMS, HILL-EVANS, BURGOS, MADDEN, KINKEAD,
SCHLOSSBERG, LEE, KINSEY, D. MILLER, ISAACSON, DELLOSO,
SANCHEZ AND HOWARD, AUGUST 24, 2021

REFERRED TO COMMITTEE ON FINANCE, AUGUST 24, 2021

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

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

18 (a.7) The following apply:

19 * * *

20 (3.1) The following apply regarding a forgiveness of
21 indebtedness:

22 (i) A forgiveness of indebtedness for an amount of a covered

1 loan granted under section 9675 of Subtitle G of Title IX of the
2 American Rescue Plan Act of 2021 (Public Law 117-2, 135 Stat.4)
3 shall not be subject to tax under this article.

4 (ii) The exclusion provided under this paragraph shall apply
5 to a forgiveness of indebtedness for an amount of a covered loan
6 granted after March 27, 2020.

7 (iii) The exclusion provided under this paragraph shall
8 expire after December 31, 2025.

9 * * *

10 Section 2. The addition of section 303(a.7)(3.1) shall apply
11 to taxable years beginning after December 31, 2019.

12 Section 3. This act shall take effect immediately.