

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 416 Session of 2023

INTRODUCED BY PHILLIPS-HILL, SCHWANK, SANTARSIERO, PENNYCUICK, STEFANO, J. WARD, VOGEL AND AUMENT, FEBRUARY 21, 2023

REFERRED TO FINANCE, FEBRUARY 21, 2023

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 corporate net income tax, further providing
 11 for imposition of tax; and abrogating a regulation.

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

14 Section 1. Section 402 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 402. Imposition of Tax.--* * *

18 (d) (1) The privileges described in subsection (a)(1) and
 19 (2) do not include work performed by employes of the
 20 corporation:

21 (i) who are residents of this Commonwealth;

22 (ii) whose primary work location for the corporation, within

1 the meaning of 61 Pa. Code Ch. 153 (relating to corporate net
2 income tax), is in another state or the District of Columbia;
3 and

4 (iii) who work remotely in this Commonwealth less than fifty
5 per cent of their normal working hours on an annual basis.

6 (2) Nothing in this subsection shall be construed to affect
7 the right of a taxpayer to apportionment of income as provided
8 in section 401(3)2(a)(3).

9 Section 2. The regulation at 61 Pa. Code § 153.23(b) is
10 abrogated to the extent of any inconsistency with this act.

11 Section 3. This act shall apply to tax years beginning after
12 December 31, 2023.

13 Section 4. This act shall take effect immediately.