

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2270 Session of
2024

INTRODUCED BY CEPHAS, FREEMAN, PROBST, GIRAL, WAXMAN, T. DAVIS,
KINSEY, SCHLOSSBERG, SANCHEZ, SAPPEY, PARKER, OTTEN, CERRATO,
CURRY, HILL-EVANS, DALEY AND GREEN, MAY 6, 2024

REFERRED TO COMMITTEE ON FINANCE, MAY 6, 2024

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) (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 the subsection is amended by adding a paragraph and the section
17 is amended by adding a subsection to read:

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

19 (a.7) The following apply:

20 (1) An amount paid as a contribution into a qualified
21 tuition program shall be deductible from taxable income on the
22 annual personal income tax return. The deduction shall be

1 allowable to an employer that makes a contribution into a
2 qualified tuition program for the account of an employe of the
3 employer. The amount paid as a contribution to a qualified
4 tuition program allowable as a deduction under this subsection
5 shall be subject to an annual limitation not to exceed the
6 threshold for exclusion from gifts as provided in section
7 2503(b) of the Internal Revenue Code of 1986, as amended, per
8 designated beneficiary. The deduction shall not result in
9 taxable income being less than zero.

10 * * *

11 (3.1) Notwithstanding any other provision of law to the
12 contrary, the deduction under this subsection shall apply to any
13 tax on income levied by a political subdivision.

14 * * *

15 (a.11) The following apply:

16 (1) An amount paid as a contribution into a student loan
17 account shall be deductible from taxable income on the annual
18 personal income tax return. The deduction shall be allowable to
19 an employer that makes a contribution into a student loan
20 account for an employe of the employer. The amount paid as a
21 contribution to a student loan account allowable as a deduction
22 under this subsection shall be subject to an annual limitation
23 not to exceed the threshold for exclusion from gifts as provided
24 in section 2503(b) of the Internal Revenue Code of 1986, as
25 amended, per designated beneficiary. The deduction shall not
26 result in taxable income being less than zero.

27 (2) Notwithstanding any other provision of law to the
28 contrary, the deduction under this subsection shall apply to any
29 tax on income levied by a political subdivision.

30 (3) For purposes of this subsection:

1 (i) The term "student loan account" means an account into
2 which may be deposited payments from a borrower, or on behalf of
3 a borrower, to a lender for the purpose of repaying a loan
4 approved for postsecondary education expenses incurred by the
5 borrower.

6 (ii) The term "qualified tuition program" shall have the
7 same meaning as provided in section 529(b)(1) of the Internal
8 Revenue Code of 1986, as amended.

9 * * *

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