

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2516 Session of 2024

INTRODUCED BY WAXMAN, SAMUELSON, GIRAL, PIELLI, HILL-EVANS,
 SOLOMON, SCHLOSSBERG, McNEILL, HOWARD, FREEMAN, STURLA,
 BRIGGS, HARKINS, OTTEN, SALISBURY, WEBSTER, SANCHEZ, DALEY,
 WARREN, FRANKEL, BRENNAN, FLEMING, KIM, KHAN AND GILLEN,
 JULY 30, 2024

REFERRED TO COMMITTEE ON FINANCE, JULY 30, 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 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 subsections to read:

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

18 (a.11) The following awards or settlements received in
 19 reparation for the seizure, theft, requisition or involuntary
 20 conversion of the income of victims of Nazi persecution shall
 21 not be subject to tax under this article:

1 (1) Amounts paid as a substitute for taxable income accruing
2 after one of the following:

3 (i) May 30, 1971.

4 (ii) If the right to receive the income was acquired from a
5 decedent by bequest, devise or inheritance or by the decedent's
6 estate, the later of May 30, 1971, or the decedent's date of
7 death.

8 (2) Amounts awarded as legal interest for periods after one
9 of the following:

10 (i) May 30, 1971.

11 (ii) If the right to receive the income was acquired from a
12 decedent by bequest, devise or inheritance or by the decedent's
13 estate, the later of May 30, 1971, or the decedent's date of
14 death.

15 (a.12) Awards or settlements received in reparation for the
16 seizure, theft, requisition or involuntary conversion of the
17 property of victims of Nazi persecution do not constitute
18 proceeds from the disposition of property and shall not be
19 subject to tax under this article. No gain is realized on the
20 recovery of involuntarily converted property of victims of Nazi
21 persecution.

22 * * *

23 Section 2. This act shall apply to taxable years commencing
24 on or after December 31, 2024.

25 Section 3. This act shall take effect immediately.