

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 603 Session of 2021

INTRODUCED BY MIHALEK, KAIL, OWLETT, PICKETT, MILLARD, O'NEAL, FRITZ, KEEFER, ECKER, WARNER, DUNBAR, CAUSER, TOOHL, IRVIN AND MERCURI, OCTOBER 4, 2021

REFERRED TO COMMITTEE ON FINANCE, OCTOBER 4, 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 special tax provisions for poverty; and, in corporate net
 12 income tax, further providing for imposition of tax.

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

15 Section 1. Sections 304(d)(1) and 402(b) of the act of March
 16 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, are
 17 amended to read:

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

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

21 (1) If the poverty income of the claimant during an entire
 22 taxable year is six thousand five hundred dollars (\$6,500) or

1 less, or, in the case of a married claimant, if the joint
2 poverty income of the claimant and the claimant's spouse during
3 an entire taxable year is thirteen thousand dollars (\$13,000) or
4 less, the claimant shall be entitled to a refund or forgiveness
5 of any moneys which have been paid over to (or would except for
6 the provisions of this act be payable to) the Commonwealth under
7 the provisions of this article, with an additional income
8 allowance of nine thousand five hundred dollars (\$9,500) for
9 each dependent of the claimant. The dollar amounts in this
10 paragraph shall be adjusted for inflation in subsequent fiscal
11 years by an amount not to exceed an annual cost-of-living
12 adjustment calculated by applying any upward percentage change
13 in the Consumer Price Index immediately prior to the date the
14 adjustment is due to take effect. The department shall transmit
15 notice of the adjusted income amounts to the Legislative
16 Reference Bureau for publication in the Pennsylvania Bulletin.
17 For purposes of this subsection, a claimant shall not be
18 considered to be married if:

19 (i) The claimant and the claimant's spouse file separate
20 returns; and

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

24 * * *

25 Section 402. Imposition of Tax.--* * *

26 (b) The annual rate of tax on corporate net income imposed
27 by subsection (a) for taxable years beginning for the calendar
28 year or fiscal year on or after the dates set forth shall be as
29 follows:

30	Taxable Year	Tax Rate
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1	January 1, 1995, and	
2	each taxable year	
3	thereafter	9.99%
4	<u>January 1, 2022</u>	<u>8.99%</u>
5	<u>January 1, 2023</u>	<u>7.99%</u>
6	<u>January 1, 2024</u>	<u>6.99%</u>
7	<u>January 1, 2025</u>	<u>5.99%</u>

8 * * *

9 Section 2. This act shall apply to tax years beginning after
10 December 31, 2021.

11 Section 3. This act shall take effect immediately.