
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 810 Session of
2023

INTRODUCED BY MUTH AND KANE, JUNE 23, 2023

REFERRED TO FINANCE, JUNE 23, 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 tax credit and tax benefit administration,
11 further providing for definitions; and providing for Working
12 Family Income Tax Credit.

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

15 Section 1. The definition of "tax credit" in section 1701-
16 A.1 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax
17 Reform Code of 1971, is amended to read:

18 Section 1701-A.1. Definitions.

19 The following words and phrases when used in this article
20 shall have the meanings given to them in this section unless the
21 context clearly indicates otherwise:

22 * * *

23 "Tax credit." A tax credit authorized under any of the

1 following:

2 (1) Article XVII-B.

3 (2) Article XVII-D.

4 (3) Article XVII-E.

5 (4) Article XVII-G.

6 (5) Article XVII-H.

7 (6) Article XVII-I.

8 (7) Article XVII-J.

9 (8) Article XVII-K.

10 (8.1) Article XVII-L.

11 (9) Article XVIII.

12 (10) Article XVIII-B.

13 (11) Article XVIII-D.

14 (12) Article XVIII-E.

15 (13) Article XVIII-F.

16 (14) Article XVIII-G.

17 (14.1) Article XVIII-H.

18 (14.2) Article XVIII-I.

19 (15) Article XIX-A.

20 (15.1) Article XIX-C.

21 (16) Article XIX-E.

22 (16.1) Article XIX-F.

23 (17) Section 2010.

24 (19) Article XX-B of the act of March 10, 1949 (P.L.30,
25 No.14), known as the Public School Code of 1949.

26 (20) The act of December 1, 2004 (P.L.1750, No.226),
27 known as the First Class Cities Economic Development District
28 Act.

29 (21) 12 Pa.C.S. Ch. 34 (relating to Infrastructure and
30 Facilities Improvement Program).

1 (22) Any other program established by a law of this
2 Commonwealth in which a person applies for and receives a
3 credit against a tax. This paragraph shall not apply to a
4 credit against a tax liability as a result of an overpayment.

5 * * *

6 Section 2. The act is amended by adding an article to read:

7 ARTICLE XVIII-I

8 WORKING FAMILY INCOME TAX CREDIT

9 Section 1801-I. Scope of article.

10 This article relates to the Working Family Income Tax Credit.

11 Section 1802-I. Definitions.

12 The following words and phrases when used in this article
13 shall have the meanings given to them in this section unless the
14 context clearly indicates otherwise:

15 "Department." The Department of Revenue of the Commonwealth.

16 "Eligible taxpayer." A taxpayer eligible to receive a tax
17 credit under section 1804-I.

18 "Federal Earned Income Tax Credit." The Earned Income Tax
19 Credit provided under 26 U.S.C. § 32 (relating to earned
20 income).

21 "Tax credit." The Working Family Income Tax Credit provided
22 under this article.

23 "Taxpayer." An individual subject to the tax under Article
24 III.

25 Section 1803-I. Working Family Income Tax Credit.

26 (a) Application of tax credit.--An eligible taxpayer may
27 apply the tax credit against the eligible taxpayer's tax due
28 under Article III.

29 (b) Spouses who file separately.--In the case of spouses who
30 are both eligible to receive the tax credit and who file a joint

1 Federal tax return but who elect to determine their taxes
2 separately, the tax credit may only be used by the spouse with
3 the greater tax otherwise due, computed without regard to the
4 tax credit.

5 (c) Amount of tax credit.--The tax credit shall be equal to
6 30% of the taxpayer's Federal Earned Income Tax Credit for the
7 same taxable year or, for a taxpayer not currently eligible for
8 the Federal Earned Income Tax Credit, 30% of the amount the
9 taxpayer would otherwise be eligible for under the Federal
10 Earned Income Tax Credit for the same taxable year.

11 (d) Credit refundable.--If the amount of credit which the
12 eligible taxpayer is eligible to receive under this section
13 exceeds the taxpayer's tax liability under Article III, the
14 department shall refund the excess amount to the eligible
15 taxpayer.

16 Section 1804-I. Eligibility.

17 A taxpayer is eligible to receive a tax credit if the
18 following apply:

19 (1) The taxpayer lived in this Commonwealth for more
20 than one-half of the preceding taxable year.

21 (2) The taxpayer satisfies at least one of the
22 following:

23 (i) Is eligible for the Federal Earned Income Tax
24 Credit.

25 (ii) Is filing with an individual taxpayer
26 identification number and is otherwise eligible for the
27 Federal Earned Income Tax Credit.

28 (iii) Has a qualifying child for the taxable year
29 and is at least 18 years of age, but has not attained 25
30 years of age before the close of the taxable year, and is

1 otherwise eligible for the Federal Earned Income Tax
2 Credit.

3 (iv) Has no qualifying children for the taxable year
4 and is at least 21 years of age, but has not attained 65
5 years of age before the close of the taxable year, and is
6 otherwise eligible for the Federal Earned Income Tax
7 Credit.

8 Section 1805-I. Regulations.

9 The department may promulgate rules and regulations to
10 administer and enforce this act.

11 Section 3. This act shall take effect in 60 days.