
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 848 Session of
2023

INTRODUCED BY CULVER, SCHWANK, PENNYCUICK, HUGHES, BREWSTER AND
KEARNEY, JUNE 30, 2023

REFERRED TO FINANCE, JUNE 30, 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 personal income tax, providing for alternative
11 special tax provisions for poverty.

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

14 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as
15 the Tax Reform Code of 1971, is amended by adding a section to
16 read:

17 Section 304.3. Alternative Special Tax Provisions for
18 Poverty.--(a) Pursuant to section 2(b)(ii) of Article VIII of
19 the Constitution of Pennsylvania, which provides for
20 establishing as a class or classes of subjects of taxation the
21 property or privileges of persons who, because of poverty, are
22 determined to be in need of special tax provisions, the General

1 Assembly hereby declares its intent and purpose to exercise its
2 power pursuant to that section by enacting the alternative tax
3 provisions of this section.

4 (b) Having determined that there are certain persons in this
5 Commonwealth whose incomes are such that imposition of an income
6 tax would deprive them and their dependents of bare necessities
7 of life, and having determined that poverty is a relative
8 concept inextricably joined with actual income and the number of
9 people dependent upon such income, the General Assembly deems it
10 to be a matter of public policy to provide special tax
11 provisions for that class of persons to relieve their economic
12 burden.

13 (c) An individual having one or more dependents shall be
14 entitled to a refund or forgiveness of any money which has been
15 paid over to or would, except for the provisions of this
16 section, be payable to the Commonwealth under the provisions of
17 this article may claim a refund as follows:

18 (1) For taxable years beginning after December 31, 2023, in
19 the amount by which twenty-five per cent of the earned income
20 credit allowable under section 32 of the Internal Revenue Code
21 of 1986 (Public Law 99-514, 26 U.S.C. § 32), as amended, exceeds
22 the tax imposed under this article for the taxable year.

23 (2) (Reserved).

24 (d) An individual eligible for the special tax provisions
25 for poverty in section 304 may claim a refund under subsection
26 (c) in lieu of utilizing the special tax provisions for poverty.

27 (e) For spouses who file separate Federal tax returns, the
28 credit allowed under this section may only be used by the spouse
29 with the greater tax otherwise due, computed without regard to
30 this credit.

1 Section 2. This act shall take effect immediately.