

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1006 Session of 2021

INTRODUCED BY METZGAR, BROOKS, HERSHEY, OWLETT, HILL-EVANS, PICKETT, KAUFFMAN, LONGIETTI, WARNER, ROWE, CIRESI, ZIMMERMAN, CONKLIN, PASHINSKI, IRVIN, STRUZZI, WHEELAND AND GLEIM, MARCH 24, 2021

REFERRED TO COMMITTEE ON FINANCE, MARCH 24, 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 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 a subsection to read:

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

18 (a.10) (1) A person that receives crop insurance proceeds
 19 may elect to include the crop insurance proceeds as income for
 20 the taxable year following the taxable year in which the crop
 21 insurance proceeds were received, if the person establishes that

1 under the person's practice, income from the crops for which the
2 crop insurance proceeds were received would have been reported
3 in the following taxable year.

4 (2) For purposes of this subsection, the term "crop
5 insurance proceeds" shall mean payments received under the
6 Agricultural Act of 1949 (Public Law 81-439, 63 Stat. 1051) or
7 Title II of the Disaster Assistance Act of 1988 (Public Law 100-
8 387, 102 Stat. 924) as a result of:

9 (i) the destruction or damage to crops caused by drought,
10 flood or other natural disaster; or

11 (ii) the inability to plant crops because of drought, flood
12 or other natural disaster.

13 Section 2. The addition of section 303(a.10) of the act
14 shall apply to taxable years beginning after December 31, 2019.

15 Section 3. This act shall take effect immediately.