
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2395 Session of
2024

INTRODUCED BY KAIL, MARCELL, KUTZ, M. JONES, BERNSTINE, JAMES,
MARSHALL, ECKER, HAMM, O'NEAL, STENDER AND ROWE, JUNE 7, 2024

REFERRED TO COMMITTEE ON FINANCE, JUNE 7, 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 corporate net income tax, further providing
11 for definitions.

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

14 Section 1. Section 401(3)4(c)(1) and (2) of the act of March
15 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, are
16 amended to read:

17 Section 401. Definitions.--The following words, terms, and
18 phrases, when used in this article, shall have the meaning
19 ascribed to them in this section, except where the context
20 clearly indicates a different meaning:

21 * * *

22 (3) "Taxable income." * * *

1 4. * * *

2 (c) (1) The net loss deduction shall be the lesser of:

3 (A) (I) For taxable years beginning before January 1, 2007,
4 two million dollars (\$2,000,000);

5 (II) For taxable years beginning after December 31, 2006,
6 the greater of twelve and one-half per cent of taxable income as
7 determined under subclause 1 or, if applicable, subclause 2 or
8 three million dollars (\$3,000,000);

9 (III) For taxable years beginning after December 31, 2008,
10 the greater of fifteen per cent of taxable income as determined
11 under subclause 1 or, if applicable, subclause 2 or three
12 million dollars (\$3,000,000);

13 (IV) For taxable years beginning after December 31, 2009,
14 the greater of twenty per cent of taxable income as determined
15 under subclause 1 or, if applicable, subclause 2 or three
16 million dollars (\$3,000,000);

17 (V) For taxable years beginning after December 31, 2013, the
18 greater of twenty-five per cent of taxable income as determined
19 under subclause 1 or, if applicable, subclause 2 or four million
20 dollars (\$4,000,000);

21 (VI) For taxable years beginning after December 31, 2014,
22 the greater of thirty per cent of taxable income as determined
23 under subclause 1 or, if applicable, subclause 2 or five million
24 dollars (\$5,000,000);

25 (VII) For taxable years beginning after December 31, 2017,
26 thirty-five per cent of taxable income as determined under
27 subclause 1 or, if applicable, subclause 2;

28 (VIII) For taxable years beginning after December 31, 2018,
29 forty per cent of taxable income as determined under subclause 1
30 or, if applicable, subclause 2; [or]

1 (IX) For taxable years beginning after December 31, 2024,
2 one hundred per cent of taxable income as determined under
3 subclause 1 or, if applicable, subclause 2; or

4 (B) The amount of the net loss or losses which may be
5 carried over to the taxable year or taxable income as determined
6 under subclause 1 or, if applicable, subclause 2.

7 * * *

8 (2) (A) A net loss for a taxable year may only be carried
9 over pursuant to the following schedule:

10	Taxable Year	Carryover
11	1981	1 taxable year
12	1982	2 taxable years
13	1983-1987	3 taxable years
14	1988	2 taxable years plus
15		1 taxable year
16		starting with the
17		1995 taxable year
18	1989	1 taxable year plus
19		2 taxable years
20		starting with the
21		1995 taxable year
22	1990-1993	3 taxable years
23		starting with the
24		1995 taxable year
25	1994	1 taxable year
26	1995-1997	10 taxable years
27	1998 and thereafter	20 taxable years

28 (B) The earliest net loss shall be carried over to the
29 earliest taxable year to which it may be carried under this
30 schedule. The total net loss deduction allowed in any taxable

1 year shall not exceed:

2 (I) Two million dollars (\$2,000,000) for taxable years
3 beginning before January 1, 2007.

4 (II) The greater of twelve and one-half per cent of the
5 taxable income as determined under subclause 1 or, if
6 applicable, subclause 2 or three million dollars (\$3,000,000)
7 for taxable years beginning after December 31, 2006.

8 (III) The greater of fifteen per cent of the taxable income
9 as determined under subclause 1 or, if applicable, subclause 2
10 or three million dollars (\$3,000,000) for taxable years
11 beginning after December 31, 2008.

12 (IV) The greater of twenty per cent of the taxable income as
13 determined under subclause 1 or, if applicable, subclause 2 or
14 three million dollars (\$3,000,000) for taxable years beginning
15 after December 31, 2009.

16 (V) The greater of twenty-five per cent of taxable income as
17 determined under subclause 1 or, if applicable, subclause 2 or
18 four million dollars (\$4,000,000) for taxable years beginning
19 after December 31, 2013.

20 (VI) The greater of thirty per cent of taxable income as
21 determined under subclause 1 or, if applicable, subclause 2 or
22 five million dollars (\$5,000,000) for taxable years beginning
23 after December 31, 2014.

24 (VII) Thirty-five per cent of taxable income as determined
25 under subclause 1 or, if applicable, subclause 2 for taxable
26 years beginning after December 31, 2017.

27 (VIII) Forty per cent of taxable income as determined under
28 subclause 1 or, if applicable, subclause 2 for taxable years
29 beginning after December 31, 2018.

30 (IX) One hundred per cent of taxable income as determined

1 under subclause 1 or, if applicable, subclause 2 for taxable
2 years beginning after December 31, 2024.

3 * * *

4 Section 2. This act shall take effect in 60 days.