

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2400 Session of 2014

INTRODUCED BY DUNBAR, BLOOM, GROVE, TALLMAN, MACKENZIE, GREINER, BAKER, BARRAR, SANKEY, SWANGER, SAYLOR, MCGINNIS, MILLARD, FEE, CUTLER, KAUFFMAN, C. HARRIS, CLYMER, GILLEN, AUMENT, RAPP, BENNINGHOFF, PICKETT, HARHART, COX AND MARSHALL, JUNE 19, 2014

REFERRED TO COMMITTEE ON FINANCE, JUNE 19, 2014

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," further providing for classes of income.

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

13 Section 1. Section 303(a.3) of the act of March 4, 1971
 14 (P.L.6, No.2), known as the Tax Reform Code of 1971, added June
 15 29, 2002 (P.L.559, No.89), is amended to read:

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

17 (a.3) The cost of property commonly referred to as Section
 18 179 Property may be treated as a deductible expense [only to the
 19 extent allowable under the version of section 179 of the
 20 Internal Revenue Code in effect at the time the property is

1 placed in service or under section 179 of the Internal Revenue
2 Code of 1986 (26 U.S.C. § 179), whichever is earlier] not to
3 exceed one hundred thousand dollars (\$100,000). The basis of
4 Section 179 Property shall be reduced, but not below zero, for
5 costs treated as a deductible expense. The amount of the
6 reduction shall be the amount deducted on a return and not
7 disallowed, regardless of whether the deduction results in a
8 reduction of income.

9 * * *

10 Section 2. The amendment of section 303(a.3) of the act
11 shall apply to tax years beginning after December 31, 2014.

12 Section 3. This act shall take effect immediately.