
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2440 Session of
2024

INTRODUCED BY McNEILL, CONKLIN, GIRAL, HILL-EVANS, SAMUELSON,
SANCHEZ, WAXMAN, CEPEDA-FREYTIZ, STURLA AND SIEGEL,
JUNE 26, 2024

REFERRED TO COMMITTEE ON FINANCE, JUNE 26, 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)1 of the act of March 4, 1971
15 (P.L.6, No.2), known as the Tax Reform Code of 1971, is amended
16 by adding a phrase 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. * * *

1 (b.2) An additional deduction shall be allowed from taxable
2 income of a medical cannabis business for the amount of ordinary
3 and necessary expenses that were paid or incurred by the medical
4 cannabis business during the taxable year which are ordinarily
5 deductible for Federal income tax purposes under section 162 of
6 the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C.
7 § 162) if the additional deduction for ordinary and necessary
8 expenses paid or incurred by the medical cannabis business was
9 not taken for Federal income tax purposes for the taxable year.
10 As used in this paragraph, the term "medical cannabis business"
11 shall mean a business that has an active grower/processor permit
12 or dispensary permit for medical cannabis issued by the
13 Department of Health according to State law during the taxable
14 year for which the deduction is sought.

15 * * *

16 Section 2. This act shall apply to taxable years beginning
17 after December 31, 2024.

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