
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1018 Session of
2013

INTRODUCED BY CORMAN, WAUGH, RAFFERTY, ERICKSON, ALLOWAY, VOGEL,
VULAKOVICH, HUTCHINSON AND BREWSTER, JUNE 17, 2013

REFERRED TO FINANCE, JUNE 17, 2013

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.8) The following apply:

19 (1) Except as set forth in paragraph (2), for a tax year
20 beginning after December 31, 2013, a taxpayer may offset a gain
21 within one class of income with a loss occurring within another
22 class of income.

1 (2) A gain or loss under subsection (a)(7) shall be limited
2 solely to the class of income under subsection (a)(7). A loss
3 under subsection (a)(7) may not be used to offset a gain in any
4 other class of income.

5 (3) Notwithstanding 1 Pa.C.S. § 1937(a) (relating to
6 references to statutes and regulations), this subsection shall
7 not affect a change in any of the following provisions as they
8 exist on June 30, 2013:

9 (i) The definitions of "earned income" and "net profits" in
10 section 501 of the act of December 31, 1965 (P.L.1257, No.511),
11 known as "The Local Tax Enabling Act."

12 (ii) The definition of "personal income" in section 302 of
13 the act of June 27, 2006 (1st Sp.Sess., P.L.1873, No.1), known
14 as the "Taxpayer Relief Act."

15 * * *

16 Section 2. This act shall take effect immediately.