

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 660 Session of 2023

INTRODUCED BY AUMENT, PENNYCUICK, VOGEL, MILLER, SCHWANK,
BOSCOLA, ARGALL, HUTCHINSON AND CULVER, MAY 3, 2023

REFERRED TO FINANCE, MAY 3, 2023

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 income taxes imposed by other states.

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

14 Section 1. Section 314 of the act of March 4, 1971 (P.L.6,
15 No.2), known as the Tax Reform Code of 1971, is amended to read:

16 Section 314. Income Taxes Imposed by Other States.--(a) A
17 resident taxpayer before allowance of any credit under section
18 312 shall be allowed a credit against the tax otherwise due
19 under this article for the amount of any income tax, wage tax or
20 tax on or measured by gross or net earned or unearned income
21 imposed on him or on a Pennsylvania S corporation or partnership
22 in which he is a direct or indirect shareholder or partner, to

1 the extent [of his pro rata share thereof determined in
2 accordance with section 307.9,] that the tax was imposed on the
3 taxpayer's distributive share or other share thereof by another
4 state with respect to income which is also subject to tax under
5 this article. For purposes of this subsection, the term "state"
6 shall only include a state of the United States, the District of
7 Columbia, the Commonwealth of Puerto Rico and any territory or
8 possession of the United States.

9 (b) The credit provided under this section shall not exceed
10 the proportion of the tax otherwise due under this article that
11 the amount of the taxpayer's income subject to tax by the other
12 jurisdiction bears to his entire taxable income.

13 (c) In lieu of submitting a copy of each State return in
14 which a tax liability is reported and tax is paid, a partner,
15 shareholder, partnership or Pennsylvania S corporation may
16 provide a certified statement that reflects each partner's or
17 shareholder's share of taxable income, amount of State income
18 tax paid and other information that the department requires.

19 Section 2. The amendment of section 314(a) shall apply to
20 taxable years beginning after December 31, 2021.

21 Section 3. This act shall take effect immediately.