



**SENATOR JOHN PIPPY
2007-2008 LEGISLATIVE SESSION
PRIME SPONSORED BILL SUMMARY**

SENATE BILL 178

This bill would amend the Tax Reform Code to provide businesses that pay personal income taxes in Pennsylvania to offset disaster losses in any class of income, regardless of the class of income in which the loss occurred. Classes of income include but are not limited to sources such as compensation (wages and similar income), dividends, interest, rents and royalties, and gambling or lottery winnings.

The amendment defines "disaster loss" as "any loss sustained by the operation of a business, profession or other activity during the taxable year and not compensated for by insurance or otherwise that is attributable to a disaster occurring in an area of this Commonwealth subsequently determined by the President of the United States to warrant assistance by the Federal Government under The Robert T. Stafford Disaster Relief and Emergency Assistance Act (Public Law 93-288, 88 Stat. 143) and are deductible under section 165 of the Internal Revenue Code of 1986."