

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 178 Session of
2007

INTRODUCED BY PIPPY, KITCHEN, COSTA, WONDERLING, ORIE, RAFFERTY,
FONTANA, ARMSTRONG, ERICKSON, FOLMER, ROBBINS, WOZNIAK,
GREENLEAF, TOMLINSON, BROWNE, REGOLA, M. WHITE, BAKER AND
LOGAN, MARCH 6, 2007

REFERRED TO FINANCE, MARCH 6, 2007

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," defining, in personal income tax, "disaster
11 losses"; and providing for, in personal income tax, classes
12 of income.

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

15 Section 1. Section 301 of the act of March 4, 1971 (P.L.6,
16 No.2), known as the Tax Reform Code of 1971, amended July 7,
17 2005 (P.L.149, No.40), is amended by adding a clause to read:

18 Section 301. Definitions.--Any reference in this article to
19 the Internal Revenue Code of 1986 shall mean the Internal
20 Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.),
21 as amended to January 1, 1997, unless the reference contains the
22 phrase "as amended" and refers to no other date, in which case

1 the reference shall be to the Internal Revenue Code of 1986 as
2 it exists as of the time of application of this article. The
3 following words, terms and phrases when used in this article
4 shall have the meaning ascribed to them in this section except
5 where the context clearly indicates a different meaning:

6 * * *

7 (x) "Disaster loss" means any loss sustained by the
8 operation of a business, profession or other activity during the
9 taxable year and not compensated for by insurance or otherwise
10 that is attributable to a disaster occurring in an area of this
11 Commonwealth subsequently determined by the President of the
12 United States to warrant assistance by the Federal Government
13 under The Robert T. Stafford Disaster Relief and Emergency
14 Assistance Act (Public Law 93-288, 88 Stat. 143) and are
15 deductible under section 165 of the Internal Revenue Code of
16 1986.

17 Section 2. Section 303 of the act is amended by adding a
18 subsection to read:

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

20 (a.8) A disaster loss may be used to offset income from the
21 classes of income set forth in subsection (a) regardless of the
22 class of income in which the disaster loss is incurred.

23 * * *

24 Section 3. This act shall apply to taxable years beginning
25 after December 31, 2007.

26 Section 4. This act shall take effect immediately.