



# Senate Finance Committee

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## BILL SUMMARY

### SENATE BILL 1386, PN 2078 (SENATOR REGOLA)

#### *Summary:*

Senate Bill 1386 increases the eligibility limits for special tax forgiveness for low-income Pennsylvanians. The bill increases claimant income eligibility limits by a total of \$2,000 over three years and the dependent allowance by \$500 over the same period.

Specifically, the bill increases claimant eligibility by \$1,000 for each claimant in year one and by \$500 for each claimant in each year for years two and three. The dependent allowance is increased by \$250 per dependent in each year in years two and three.

Under current law, a family of four with a combined income of less than \$32,000 pays no state income tax. Under SB 1386, families earning \$27,000 or less would be exempt.

The attached chart outlines the income breakdown over the next three years.

#### *Fiscal Impact:*

*(Dollars in millions)*

<b>FY 08-09 Impact</b>	<b>FY 09-10 Impact</b>	<b>FY 10-11 Impact</b>
\$ 45	\$ 74.6	\$ 74.6