



Senate Finance Committee

Senator John H. Eichelberger, Jr.
Chairman



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ANALYSIS

BILL NUMBER: Senate Bill 652, P.N. 691

SPONSOR: Baker

SYNOPSIS:

Senate Bill 652 would amend the Local Tax Enabling Act to exempt the income of active military persons from local taxation.

SUMMARY/ANALYSIS:

This legislation would amend the Act of December 31, 1965 (P.L.1257, No.511), known as the Local Tax Enabling Act, to change the definition of “earned income.”

Under Senate Bill 652, earned income would be defined to exclude “*wages or compensation paid to individuals on active military service, regardless of whether it is earned for active military service inside or outside this Commonwealth.*”

The act would apply to income taxes levied and collected after December 31, 2015

EFFECTIVE DATE:

The Act would take effect immediately.

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