

## FISCAL NOTE

May 17, 2019

<b>Bill No:</b>	SB 201	<b>Printer's No:</b>	157	<b>Sponsor:</b>	DiSanto (R)
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### COST / (SAVINGS)

Fund (s)	2018-19	2019-20
General Fund-Revenue Loss	See "FISCAL IMPACT"	\$1.7 million

**SUMMARY:** SB 201 amends the Tax Reform Code (TRC) to allow for deferral of taxes due on gains from like-kind exchanges of property.

**ANALYSIS:** Under Federal Law, taxes due on income derived from an exchange of property held for productive use or for investment purposes for similar property can be deferred. Currently, Pennsylvania law does not allow for deferral of Personal Income Tax (PIT) from these like-kind property exchanges.

SB 201 amends TRC to adopt Federal tax policy allowing for deferral of PIT due for income from these exchanges.

SB 201 takes effect immediately.

**FISCAL IMPACT:** Allowing deferral on PIT for like-kind property exchanges will lead to revenue loss for the General Fund summarized in the following table:

Fiscal Year	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Revenue Loss</b>	\$1.7 million	\$11.1 million	\$10.9 million	\$10.8 million	\$10.8 million