

FISCAL NOTE

October 6, 2025

Bill No:	HB 820	Printer's No:	824	Sponsor:	Sappey (D)
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COST / (SAVINGS)

Fund (s)	2024-25	2025-26
General Fund	No fiscal impact	\$360.2 million

SUMMARY: HB 820 amends the Tax Reform Code of 1971, in tax credit and tax benefit administration, further providing for definitions; and providing for working Pennsylvanians tax credit.

ANALYSIS: This bill creates a refundable state tax credit equal to 30 percent of the federal earned income tax credit (EITC) received by a taxpayer for the same taxable year. The credit may only be used by the spouse with the greater tax otherwise due if both spouses are eligible for the credit. The credit shall apply beginning in taxable year 2025.

The Department of Revenue is authorized to promulgate rules and regulations and to issue guidance for implementation.

The act shall take effect immediately.

FISCAL IMPACT: The estimated fiscal impact of HB 820 is \$360.2 million in FY 2025–26 and \$598.1 million in FY 2026–27, with costs projected to increase in subsequent years.

In 2023, the average federal EITC received nationwide was \$2,541, with a maximum credit of \$7,830.

<u>Fiscal year</u>	<u>Fiscal impact</u>
2024-25	No fiscal impact
2025-26	\$360.2 million
2026-27	\$598.1 million
2027-28	\$628.8 million
2028-29	\$649.4 million
2029-30	\$666.0 million