

FISCAL NOTE

November 18, 2019

Bill No:	HB 333	Printer's No:	2071	Sponsor:	Nelson (R)
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COST / (SAVINGS)

Fund (s)	2019-20	2020-21
General Fund	\$2.6 million	\$17.7 million

SUMMARY: HB 333 amends the Tax Reform Code (TRC) to adopt federal tax policy allowing deductions of up to \$1,000,000 annually for certain types of property.

ANALYSIS: HB 333 amends TRC to allow for the purchase price of Section 179 property, which is largely business machinery and equipment, to be deducted from a taxpayer's income tax liability by up to \$1,000,000 in one tax year. This has been the limit under federal tax law since the passage of the Tax Cuts and Jobs Act of 2017. In Pennsylvania, Section 179 property deductions are currently capped at 25,000.

HB 333 takes effect immediately.

FISCAL IMPACT: Increasing the allowable deduction for Section 179 property to \$1,000,000 will lead to the following annual revenue loss to the General Fund:

Year	2019-20	2020-21	2021-22	2022-23	2023-24
Revenue Loss	\$2.6 million	\$17.7 million	\$13.9 million	\$10.3 million	\$7.2 million