

# FISCAL NOTE

May 16, 2022

<b>Bill No:</b>	SB 347	<b>Printer's No:</b>	350	<b>Sponsor:</b>	DiSanto (R)
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## COST / (SAVINGS)

Fund (s)	2021-22	2022-23
General Fund	\$18.5 million	\$16.2 million

**SUMMARY:** This bill amends the Tax Reform Code further providing for classes of income.

**ANALYSIS:** SB 347 amends the Tax Reform Code to mirror federal law by allowing the deferral of tax due on gains from like-kind exchanges of property.

**FISCAL IMPACT:** This bill has a fiscal impact of \$18.5 million in FY 21-22 and \$16.2 million in FY 22-23 in reduced Personal Income Tax (PIT).

	2021-22	2022-23	2023-24	2024-25	2025-26
Cash Effect	\$10.5	\$8.2	\$7.6	\$7.4	\$7.3
Refund Effect	\$8.0	\$8.1	\$7.5	\$7.2	\$7.1
<b>Total Effect</b>	<b>\$18.5</b>	<b>\$16.2</b>	<b>\$15.1</b>	<b>\$14.5</b>	<b>\$14.3</b>
*Numbers in millions.					
*Estimate uses data on capital gains and gains or losses on non-capital assets for individuals and partnerships from the IRS Statistics on Income Division, as well as the data on the sale or exchange of property as reported on the PA-40. Tax impact is projected using capital gains growth rate provided by the CBO, last updated February 2021.					