

This is an amendment to the School Income Tax Regulations to make Pennsylvania State Lottery cash prizes subject to the School Income tax effective for Tax Year 2016 and thereafter. Section 50 (2) of Pennsylvania's Act 84 of 2016 repealed *Section 312. Tax Exemption* of the State Lottery Law (i.e. 72 P.S. § 3761-312).

## SCHOOL INCOME TAX REGULATIONS

### ARTICLE I GENERAL PROVISIONS

#### Section 101. Definitions.

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#### Section 203. Income Included in Tax Base.

The following items received by any resident directly, or through an agent, whether in cash or property, shall be included as income subject to this tax. Losses in one class of income may not be used to offset income in another. (i.e., a loss from the short-term sale of property may not be offset against income from any other source.) This list of items to be included in the tax base is not all-inclusive.

(a) DIVIDENDS.

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(g) PRIZES AND AWARDS. Including net gambling gains [excluding] inclusive of [Pa] Pennsylvania State Lottery [net gains] cash prizes but excluding Pennsylvania State Lottery noncash prizes.

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This regulation amendment is effective for Tax Year 2016 and thereafter.

Underline     and **bold** denote new language.

Brackets [ ] and **bold** denote language deleted.



Date: 11-17-16

Frank Breslin CPA, Revenue Commissioner

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DEPARTMENT OF REVENUE  
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