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INDEPENDENT REGULATORY REVIEW COMMISSION
333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

December 6, 2001

Honorable Larry P. Williams, Secretary
Department of Revenue
Strawberry Square, 11th Floor
Harrisburg, PA 17128

Re: Regulation #15-414 (IRRC #2111)
Department of Revenue
Personal Income Tax

Dear Secretary Williams:

The Independent Regulatory Review Commission approved your regulation on December 6, 2001. Our Order is enclosed and is available on our website at www.irrc.state.pa.us.

We appreciate the joint effort that went into producing a regulation that meets the criteria and intent of the Regulatory Review Act.

Sincerely,

Alvin C. Bush
Vice Chairman

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Enclosure

cc: Honorable Karl W. Boyes, Majority Chairman, House Finance Committee
Honorable Fred A. Trello, Democratic Chairman, House Finance Committee
Honorable Jane M. Earll, Chairman, Senate Finance Committee
Honorable John N. Wozniak, Minority Chairman, Senate Finance Committee

**INDEPENDENT REGULATORY REVIEW COMMISSION
APPROVAL ORDER**

Commissioners Voting:

Public Meeting Held December 6, 2001

Alvin C. Bush, Vice Chairman
Arthur Coccodrilli
Robert J. Harbison, III
John F. Mizner, by Phone

Regulation No. 15-414
Department of Revenue
Personal Income Tax

On April 26, 2000, the Independent Regulatory Review Commission (Commission) received this proposed regulation from the Department of Revenue (Department). This rulemaking amends 61 Pa. Code Chapter 101. The proposed regulation was published in the May 6, 2000 *Pennsylvania Bulletin* with a 30-day public comment period. The final-form regulation was submitted to the Commission on October 31, 2001.

The Department is interpreting the scope of "supplemental unemployment benefits" which are excluded from compensation under 72 P.S. § 7301(d)(vi). The amendments clarify the tax treatment of programs offered as supplemental benefits to employees terminated from service due to layoff, workforce reduction, plant closings and other involuntary terminations.

We have determined this regulation is consistent with the statutory authority of the Department (72 P.S. §§ 7301(d)(vi) and 7354) and the intention of the General Assembly. Having considered all of the other criteria of the Regulatory Review Act, we find promulgation of this regulation is in the public interest.

BY ORDER OF THE COMMISSION:

This regulation is approved.





Alvin C. Bush, Vice Chairman