INTEREST - TAX-EXEMPT
Interest derived from obligations not statutorily free from state or local taxation under any other act of the General Assembly or under the laws of the U.S. is subject to PA personal income tax. Interest on obligations issued by or on behalf of the U.S. government is not subject to PA personal income tax. 61 Pa. Code §103.16(e).

INTEREST - NON TAX-EXEMPT (OTHER STATES)
Interest on obligations of other states and territories, their political subdivisions and instrumentalities is taxable for PA personal income tax purposes. 61 Pa. Code §103.16(e).

GAIN OR (LOSS) FROM THE SALE, EXCHANGE OR DISPOSITION OF TAX-EXEMPT OBLIGATIONS
Gain or loss shall be recognized on the sale, exchange or other disposition of obligations issued by the commonwealth, a public authority, commission, board or other agency created by the commonwealth, a political subdivision or exempt from state taxation under the laws of the U.S. only with respect to obligations issued on or after Feb. 1, 1994. 61 Pa. Code §103.13(j).

OBLIGATIONS OF FEDERAL AGENCIES, INSTRUMENTALITIES AND TERRITORIES EXEMPT FROM PA PERSONAL INCOME TAX:
- Banks for Cooperatives, 12 USC §2134
- Federal District Banks for Cooperatives, 12 USC §2124
- Central Banks for Cooperatives, 12 USC §2124
- Commodity Credit Corporation, 15 USC §713a-5
- Farm Credit System Assistance Board, 12 USC §2278a-11 (replaces 12USC §2216k)
- Farm Credit System Land Banks and Land Bank Associations, 12 USC §§2023, 2098
- Federal Crop Insurance Corporation, 7 USC §1511
- Federal Deposit Insurance Corporation, 12 USC §1825
- Federal Farm Credit Banks (merger of Federal District Intermediate Credit Banks and Federal Land Banks, 12 USC §2011), 12 USC §2023
- Federal Financing Bank, 12 USC §2290(b)
- Federal Home Loan Banks, 12 USC §1433
- Federal Land Bank Associations, 12 USC §2098
- Financing Corporation, 12 USC §1441(e)(7)
- General Insurance Fund, issued under
  - Armed Services Mortgage Insurance, 12 USC §1748b(f)
  - National Defense Housing Insurance, 12 USC §1750c(d)
  - Rehabilitation and Neighborhood Conservation Housing Insurance, 12 USC §1715k(h)(7)
  - Rental Housing Insurance Fund, 12 USC §1747g(g)
  - Rental Housing Insurance Fund Mortgage Insurance, 12 USC §1713(i)
  - War Housing Insurance law, 12 USC §§1739(d) and 1744(e)
  - Insurance of Loans for Manufacture of Houses, 12 USC §1744(i)(4)
  - Mortgage Insurance Benefits, 12 USC §1750c(d)
- Government of the Northern Mariana Islands, 48 USC §1801, and Covenant to Establish a Commonwealth of the Northern Mariana Islands in a Political Union with the United States Article IV §607(a)
- Government of Puerto Rico, 48 USC §745
- Government of Virgin Islands, 48 USC §§1403, 1574(b)(iii)(B)
- Government of Guam, 48 U.S.C. §1423a
- Public Building Trust Participation Certificates, 31 USC §3124(a)
OBLIGATIONS OF FEDERAL AGENCIES, INSTRUMENTALITIES OR TERRITORIES NOT EXEMPT FROM TAXATION ON INTEREST OR GAIN UNDER THE PA PERSONAL INCOME TAX ACT

NOTE: Gain derived and interest received from the following obligations is taxable for Pennsylvania unless the obligation is issued by or on behalf of the U.S. government or the obligation is statutorily free from state or local taxation under an act of the General Assembly or under the laws of the U.S.:

- Agricultural Credit Insurance Fund (Agricultural Credit), 7 USC §1929(c)
- Electric and Hybrid Vehicle Development Fund, 15 USC §2509(e)(3)(c)
- Export-Import Banks, 12 USC §635b
- Federal Financing Bank, 12 USC §2288
- Federal Home Loan Mortgage Corporation, 12 USC §1455(a)
- Federal National Mortgage Association (Fannie Mae), 12 USC §§1719(e) (see 1723a(c))
- Federal Ship Financing Fund (Merchant Marine Act), 46 USC §53723
- Geothermal Resources Development Fund (Geothermal Research), 30 USC §1144
- Government National Mortgage Association (Ginnie Mae), 12 USC §§1721, 1723 (see 1721(d), 1721(g), 1723a(c))
- United States Housing Authority, Low Income Housing, 42 USC §1437b
- Pension Benefit Guaranty Corporation, 29 USC §1305(c)
- Rural Development Insurance Fund, 7 USC §1929a(d)
- Rural Housing Insurance Fund, 42 USC §1487(h)
- Rural Telephone Bank, 7 USC §947(b)
- Securities Investor Protection Corporation (Securities Investor Production Fund), 15 USC §78ddd(h)
- Small Business Administration, 15 USC §633(c)(5)(A)
- United States Railway Association, 45 USC §720(e)