

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**HOUSE BILL**  
**No. 1480** Session of  
1987

INTRODUCED BY LLOYD, COY, PIEVSKY, MANDERINO, HALUSKA, BELFANTI,  
JOHNSON, FATTAH, VEON, PETRARCA, PISTELLA, DISTLER, MORRIS,  
ITKIN, BALDWIN, MILLER, STEIGHNER, WOZNIAK, PRESSMANN,  
HERMAN, TRELLO, LaGROTTA, KUKOVICH, SERAFINI, LANGTRY, TIGUE,  
BURD, FREEMAN, SWEET, MARKOSEK, RITTER, FOX, BOOK,  
CAPPABIANCA, CARLSON, CAWLEY, COLAFELLA, ANGSTADT, WASS,  
KOSINSKI, LESCOVITZ, FISCHER AND EVANS, JUNE 8, 1987

SENATE TILGHMAN, APPROPRIATIONS, IN SENATE, RE-REPORTED AS  
AMENDED, JUNE 20, 1988

AN ACT

1 ~~Amending the act of July 2, 1984 (P.L.555, No.111), entitled, as~~ <—  
2 ~~amended, "An act creating a small business incubator program;~~  
3 ~~providing for grants, loans and loan guarantees to small~~  
4 ~~business incubators; specifying the conditions of and~~  
5 ~~requirements for grants and loans; providing for seed grants;~~  
6 ~~and making appropriations," further providing for small~~  
7 ~~business incubator grants and loans and for the powers and~~  
8 ~~duties of the board; and repealing provisions relating to~~  
9 ~~time limits on approvals.~~

10 AMENDING THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), ENTITLED "AN <—  
11 ACT RELATING TO TAX REFORM AND STATE TAXATION BY CODIFYING  
12 AND ENUMERATING CERTAIN SUBJECTS OF TAXATION AND IMPOSING  
13 TAXES THEREON; PROVIDING PROCEDURES FOR THE PAYMENT,  
14 COLLECTION, ADMINISTRATION AND ENFORCEMENT THEREOF; PROVIDING  
15 FOR TAX CREDITS IN CERTAIN CASES; CONFERRING POWERS AND  
16 IMPOSING DUTIES UPON THE DEPARTMENT OF REVENUE, CERTAIN  
17 EMPLOYERS, FIDUCIARIES, INDIVIDUALS, PERSONS, CORPORATIONS  
18 AND OTHER ENTITIES; PRESCRIBING CRIMES, OFFENSES AND  
19 PENALTIES," FURTHER PROVIDING FOR THE UTILITIES GROSS  
20 RECEIPTS TAX.

21 The General Assembly of the Commonwealth of Pennsylvania  
22 hereby enacts as follows:

23 ~~Section 1. Section 4(a)(1) and (c)(1) of the act of July 2,~~ <—

1 ~~1984 (P.L.555, No.111), known as the Small Business Incubators~~  
2 ~~Act, amended July 9, 1986 (P.L.1193, No.101), are amended to~~  
3 ~~read:~~

4 ~~Section 4. Incubator grants, loans and loan guarantees.~~

5 ~~(a) Application. A local sponsor may submit an application~~  
6 ~~to the board to obtain a grant, loan or loan guarantee to~~  
7 ~~establish an incubator. Each application shall:~~

8 ~~(1) Demonstrate that:~~

9 ~~(i) a facility exists that can be transformed into~~  
10 ~~an incubator at a specified cost; or~~

11 ~~(ii) in the case of new and expansion construction,~~  
12 ~~appropriate existing facilities are not available within~~  
13 ~~the geographic area and an incubator facility will be~~  
14 ~~constructed or expanded at a specified cost.~~

15 ~~\* \* \*~~

16 ~~(c) Grant and loan conditions.—~~

17 ~~(1) Grants and loans awarded or guaranteed shall be used~~  
18 ~~only for the acquisition and leasing of land and [existing]~~  
19 ~~buildings, the construction, rehabilitation and expansion of~~  
20 ~~buildings or other facilities and the purchase of equipment~~  
21 ~~and furnishings, which are necessary for the creation and~~  
22 ~~operation of the incubator.~~

23 ~~\* \* \*~~

24 ~~Section 2. Section 7(2) of the act is amended to read:~~

25 ~~Section 7. General powers and duties of the board.~~

26 ~~The board shall:~~

27 ~~\* \* \*~~

28 ~~(2) Make loans and loan guarantees or grants or a~~  
29 ~~combination of loans and grants to local sponsors for~~  
30 ~~incubators and award seed capital challenge grants and, in~~

1 ~~the sole discretion of the board, provide for the conversion~~  
2 ~~of any liens issued on or after November 1, 1985, into grants~~  
3 ~~or into a combination of grants and loans.~~

4 \* \* \*

5 ~~Section 3. Section 12 of the act is repealed.~~

6 ~~Section 4. The amendatory provisions of section 2 of this~~  
7 ~~act (relating to section 7) shall be retroactive to November 1,~~  
8 ~~1985.~~

9 SECTION 1. SECTION 1101(A) AND (B) OF THE ACT OF MARCH 4, ←  
10 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971,  
11 AMENDED JULY 13, 1987 (P.L.317, NO.58), IS AMENDED TO READ:

12 SECTION 1101. IMPOSITION OF TAX.--(A) GENERAL RULE.--EVERY  
13 RAILROAD COMPANY, PIPELINE COMPANY, CONDUIT COMPANY, STEAMBOAT  
14 COMPANY, CANAL COMPANY, SLACK WATER NAVIGATION COMPANY,  
15 TRANSPORTATION COMPANY, AND EVERY OTHER COMPANY, ASSOCIATION,  
16 JOINT-STOCK ASSOCIATION, OR LIMITED PARTNERSHIP, NOW OR  
17 HEREAFTER INCORPORATED OR ORGANIZED BY OR UNDER ANY LAW OF THIS  
18 COMMONWEALTH, OR NOW OR HEREAFTER ORGANIZED OR INCORPORATED BY  
19 ANY OTHER STATE OR BY THE UNITED STATES OR ANY FOREIGN  
20 GOVERNMENT, AND DOING BUSINESS IN THIS COMMONWEALTH, AND EVERY  
21 COPARTNERSHIP, PERSON OR PERSONS OWNING, OPERATING OR LEASING TO  
22 OR FROM ANOTHER CORPORATION, COMPANY, ASSOCIATION, JOINT-STOCK  
23 ASSOCIATION, LIMITED PARTNERSHIP, COPARTNERSHIP, PERSON OR  
24 PERSONS, ANY RAILROAD, PIPELINE, CONDUIT, STEAMBOAT, CANAL,  
25 SLACK WATER NAVIGATION, OR OTHER DEVICE FOR THE TRANSPORTATION  
26 OF FREIGHT, PASSENGERS, BAGGAGE, OR OIL, EXCEPT TAXICABS, MOTOR  
27 BUSES AND MOTOR OMNIBUSES, AND EVERY LIMITED PARTNERSHIP,  
28 ASSOCIATION, JOINT-STOCK ASSOCIATION, CORPORATION OR COMPANY  
29 ENGAGED IN, OR HEREAFTER ENGAGED IN, THE TRANSPORTATION OF  
30 FREIGHT OR OIL WITHIN THIS STATE, AND EVERY TELEPHONE COMPANY,

1 TELEGRAPH COMPANY, EXPRESS COMPANY, GAS COMPANY, PALACE CAR  
2 COMPANY AND SLEEPING CAR COMPANY, NOW OR HEREAFTER INCORPORATED  
3 OR ORGANIZED BY OR UNDER ANY LAW OF THIS COMMONWEALTH, OR NOW OR  
4 HEREAFTER ORGANIZED OR INCORPORATED BY ANY OTHER STATE OR BY THE  
5 UNITED STATES OR ANY FOREIGN GOVERNMENT AND DOING BUSINESS IN  
6 THIS COMMONWEALTH, AND EVERY LIMITED PARTNERSHIP, ASSOCIATION,  
7 JOINT-STOCK ASSOCIATION, COPARTNERSHIP, PERSON OR PERSONS,  
8 ENGAGED IN TELEPHONE, TELEGRAPH, EXPRESS, GAS, PALACE CAR OR  
9 SLEEPING CAR BUSINESS IN THIS COMMONWEALTH, SHALL PAY TO THE  
10 STATE TREASURER, THROUGH THE DEPARTMENT OF REVENUE, A TAX OF  
11 FORTY-FOUR MILLS FOR THE CALENDAR YEAR 1988, AND AT THE RATE OF  
12 THIRTY-NINE MILLS FOR THE CALENDAR YEAR 1989 AND EACH YEAR  
13 THEREAFTER, UPON EACH DOLLAR OF THE GROSS RECEIPTS OF THE  
14 CORPORATION, COMPANY OR ASSOCIATION, LIMITED PARTNERSHIP, JOINT-  
15 STOCK ASSOCIATION, COPARTNERSHIP, PERSON OR PERSONS, RECEIVED  
16 FROM PASSENGERS, BAGGAGE, AND FREIGHT TRANSPORTED WHOLLY WITHIN  
17 THIS STATE, FROM TELEGRAPH OR TELEPHONE MESSAGES TRANSMITTED  
18 WHOLLY WITHIN THIS STATE, FROM EXPRESS, PALACE CAR OR SLEEPING  
19 CAR BUSINESS DONE WHOLLY WITHIN THIS STATE, OR FROM THE SALES OF  
20 GAS, EXCEPT GROSS RECEIPTS DERIVED FROM SALES TO ANY  
21 MUNICIPALITY OWNED OR OPERATED PUBLIC UTILITY AND EXCEPT GROSS  
22 RECEIPTS DERIVED FROM THE SALES FOR RESALE, TO PERSONS,  
23 PARTNERSHIPS, ASSOCIATIONS, CORPORATIONS OR POLITICAL  
24 SUBDIVISIONS SUBJECT TO THE TAX IMPOSED BY THIS ACT UPON GROSS  
25 RECEIPTS DERIVED FROM SUCH RESALE AND FROM THE TRANSPORTATION OF  
26 OIL DONE WHOLLY WITHIN THIS STATE. THE GROSS RECEIPTS OF GAS  
27 COMPANIES SHALL INCLUDE THE GROSS RECEIPTS FROM THE SALE OF  
28 ARTIFICIAL AND NATURAL GAS, BUT SHALL NOT INCLUDE GROSS RECEIPTS  
29 FROM THE SALE OF LIQUEFIED PETROLEUM GAS.

30 (B) ELECTRIC LIGHT, WATERPOWER AND HYDRO-ELECTRIC

1 UTILITIES.--EVERY ELECTRIC LIGHT COMPANY, WATERPOWER COMPANY AND  
2 HYDRO-ELECTRIC COMPANY NOW OR HEREAFTER INCORPORATED OR  
3 ORGANIZED BY OR UNDER ANY LAW OF THIS COMMONWEALTH, OR NOW OR  
4 HEREAFTER ORGANIZED OR INCORPORATED BY ANY OTHER STATE OR BY THE  
5 UNITED STATES OR ANY FOREIGN GOVERNMENT AND DOING BUSINESS IN  
6 THIS COMMONWEALTH, AND EVERY LIMITED PARTNERSHIP, ASSOCIATION,  
7 JOINT-STOCK ASSOCIATION, COPARTNERSHIP, PERSON OR PERSONS,  
8 ENGAGED IN ELECTRIC LIGHT AND POWER BUSINESS, WATERPOWER  
9 BUSINESS AND HYDRO-ELECTRIC BUSINESS IN THIS COMMONWEALTH, SHALL  
10 PAY TO THE STATE TREASURER, THROUGH THE DEPARTMENT OF REVENUE, A  
11 TAX OF FORTY-FOUR MILLS FOR THE CALENDAR YEAR 1988, AND AT THE  
12 RATE OF THIRTY-NINE MILLS FOR THE CALENDAR YEAR 1989 AND EACH  
13 YEAR THEREAFTER, UPON EACH DOLLAR OF THE GROSS RECEIPTS OF THE  
14 CORPORATION, COMPANY OR ASSOCIATION, LIMITED PARTNERSHIP, JOINT-  
15 STOCK ASSOCIATION, COPARTNERSHIP, PERSON OR PERSONS, RECEIVED  
16 FROM:

17 (1) THE SALES OF ELECTRIC ENERGY WITHIN THIS STATE, EXCEPT  
18 GROSS RECEIPTS DERIVED FROM THE SALES FOR RESALE OF ELECTRIC  
19 ENERGY TO PERSONS, PARTNERSHIPS, ASSOCIATIONS, CORPORATIONS OR  
20 POLITICAL SUBDIVISIONS SUBJECT TO THE TAX IMPOSED BY THIS  
21 SUBSECTION UPON GROSS RECEIPTS DERIVED FROM SUCH RESALE; AND

22 (2) THE SALES OF ELECTRIC ENERGY PRODUCED IN PENNSYLVANIA  
23 AND MADE OUTSIDE OF PENNSYLVANIA IN A STATE THAT HAS TAKEN  
24 ACTION SINCE DECEMBER 21, 1977 WHICH RESULTS IN HIGHER COSTS FOR  
25 ELECTRIC ENERGY PRODUCED IN THAT STATE AND SOLD IN PENNSYLVANIA  
26 UNLESS THE ACTION THAT WAS TAKEN AFTER DECEMBER 21, 1977 IS  
27 RESCINDED ACCORDING TO THE FOLLOWING APPORTIONMENT FORMULA:

28 EXCEPT FOR GROSS RECEIPTS DERIVED FROM SALES UNDER CLAUSE (1),  
29 THE GROSS RECEIPTS FROM ALL SALES OF ELECTRICITY OF THE PRODUCER  
30 SHALL BE APPORTIONED TO THE COMMONWEALTH OF PENNSYLVANIA BY THE

1 RATIO OF THE PRODUCER'S OPERATING AND MAINTENANCE EXPENSES IN  
2 PENNSYLVANIA AND DEPRECIATION ATTRIBUTABLE TO PROPERTY IN  
3 PENNSYLVANIA TO THE PRODUCER'S TOTAL OPERATING AND MAINTENANCE  
4 EXPENSES AND DEPRECIATION.

5 \* \* \*

6 Section 5 2. This act shall take effect immediately.

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