
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 984 Session of
2021

INTRODUCED BY AUMENT, YAW, MARTIN, ROBINSON, J. WARD, SCAVELLO,
BAKER, BROOKS, MENSCH, PITTMAN, STEFANO, MASTRIANO, PHILLIPS-
HILL AND BARTOLOTTA, DECEMBER 29, 2021

REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,
DECEMBER 29, 2021

AN ACT

1 Establishing the COVID-19 Small Business Assistance Program and
2 providing for a Business Improvement Tax Credit.

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2 The General Assembly of the Commonwealth of Pennsylvania
3 hereby enacts as follows:

4 CHAPTER 1
5 PRELIMINARY PROVISIONS

6 Section 101. Short title.

7 This act shall be known and may be cited as the COVID-19
8 Small Business Assistance Program.

9 Section 102. Definitions.

10 The following words and phrases when used in this act shall
11 have the meanings given to them in this section unless the
12 context clearly indicates otherwise:

13 "COVID-19 disaster emergency." The duration of the
14 proclamation of disaster emergency issued by the Governor on
15 March 6, 2020, published at 50 Pa.B. 1644 (March 21, 2020) and
16 any renewal of the state of disaster emergency.

17 "Donating business." A business within this Commonwealth
18 that provides a donation to the Department of Community and
19 Economic Development to assist recipient businesses. The term
20 includes a pass-through entity, including a pass-through entity
21 the purpose of which is the making of contributions under this
22 act and whose shareholders, partners or members are composed of
23 owners or employees of other donating businesses.

24 "Donation." A donation of cash, personal property or
25 services by a donating business, the value of which is the net
26 cost of the donation to the donating business or the pro rata
27 hourly wage, including benefits, of the individual performing
28 the services.

29 "Eligible small business." A business located in this
30 Commonwealth that:

1 (1) has 500 employees or less; and

2 (2) was not considered "life-sustaining" and ordered to
3 cease operations under the COVID-19 business closure order
4 issued by the Governor on March 19, 2020.

5 "Pass-through entity." A partnership as defined in section
6 301(n.0) of the act of March 4, 1971 (P.L.6, No.2), known as the
7 Tax Reform Code of 1971, a single-member limited liability
8 company treated as a disregarded entity for Federal income tax
9 purposes or a Pennsylvania S corporation as defined in section
10 301(n.1) of the Tax Reform Code of 1971. The term includes:

11 (1) A pass-through entity that owns an interest in a
12 pass-through entity.

13 (2) A qualified Subchapter S trust.

14 "Program." The COVID-19 Small Business Assistance Program
15 established under section 302(a).

16 "Qualified Subchapter S trust." As defined in section
17 1361(d)(3) of the Internal Revenue Code of 1986 (Public Law 99-
18 514, 26 U.S.C. § 1361(d)(3)).

19 "Recipient business." A small business that receives a
20 donation under this act.

21 CHAPTER 3

22 COVID-19 SMALL BUSINESS ASSISTANCE PROGRAM

23 Section 301. Definitions.

24 The following words and phrases when used in this chapter
25 shall have the meanings given to them in this section unless the
26 context clearly indicates otherwise:

27 "Applicant." An eligible small business that applies for
28 admittance to the program.

29 "Department." The Department of Community and Economic
30 Development of the Commonwealth.

1 Section 302. Small Business Assistance Program.

2 (a) Establishment.--The COVID-19 Small Business Assistance
3 Program is established in the department to award grants to
4 eligible small businesses funded by donations from donating
5 businesses. The Commonwealth may solicit donations, and
6 businesses may donate money to the Commonwealth, for the
7 purposes of awarding grants under this chapter.

8 (b) Administration.--The department shall administer the
9 program in accordance with this chapter.

10 (c) Fund.--Money donated under subsection (a) shall be
11 deposited into a restricted account within the General Fund and
12 appropriated to the department for the purpose of awarding
13 grants under this chapter.

14 (d) Grants.--The following shall apply to grants awarded
15 under this chapter:

16 (1) The department shall provide grants to eligible
17 small businesses in accordance with this chapter on a first-
18 come, first-served basis.

19 (2) A grant awarded under paragraph (1) shall be no less
20 than \$10,000 and no more than \$100,000. The department shall
21 give priority to the following eligible small businesses in
22 determining the amount of each grant, in descending priority:

23 (i) Small business that did not receive grants from
24 any previous Federal or State COVID-19 assistance
25 program.

26 (ii) Small business that experienced a decrease in
27 profits greater than 50% compared to the previous year.

28 (iii) Small business that lost more than 10% of its
29 employees due to a required closure under the COVID-19
30 business closure order issued by the Governor on March

1 19, 2020.

2 (e) Application.--An applicant shall apply to the department
3 for acceptance into the program on a form developed by and in
4 the manner determined by the department. The form shall be
5 posted on the department's publicly accessible Internet website.

6 (f) Donating businesses.--A donating business shall provide
7 information required by the department. Upon admittance into the
8 program, a donating business shall submit a donation to the
9 department to assist eligible small businesses.

10 (g) Notification.--The department shall notify an applicant
11 of the approval or disapproval of the applicant's application no
12 later than 60 days after the application was submitted to the
13 department.

14 (h) Recipient businesses.--A business awarded a grant under
15 this chapter may use the grant for the following:

16 (1) Payroll.

17 (2) Repayment of loans incurred after the COVID-19
18 business closure order issued by the Governor on March 19,
19 2020.

20 (3) Taxes and fees imposed under Federal and State law.

21 (4) Business expenditures necessary to conduct day to
22 day business.

23 (i) Publication.--The department shall annually transmit to
24 the Legislative Reference Bureau a list of donating businesses
25 and recipient businesses participating in the program for
26 publication in the Pennsylvania Bulletin. The list shall be
27 posted and updated as necessary on the department's publicly
28 accessible Internet website.

29 CHAPTER 5

30 BUSINESS IMPROVEMENT TAX CREDIT

1 Section 501. Definitions.

2 The following words and phrases when used in this chapter
3 shall have the meanings given to them in this section unless the
4 context clearly indicates otherwise:

5 "Applicant." A business which makes a donation under Chapter
6 3 and applies for a tax credit.

7 "Department." The Department of Revenue of the Commonwealth.

8 "Tax credit." A Business Improvement Tax Credit allowed
9 under this chapter.

10 Section 502. Qualification.

11 An applicant that participated in the program under Chapter 3
12 shall qualify for a tax credit.

13 Section 503. Grant.

14 The department shall grant a tax credit against any
15 applicable State tax to an applicant providing proof of a
16 donation made under the program.

17 Section 504. Amount and limitation.

18 The amount of a tax credit under this chapter shall equal 50%
19 of the amount donated by a donating business in a fiscal year.
20 No more than \$500,000,000 in tax credits may be granted in a
21 fiscal year. A tax credit may not be granted in any fiscal year
22 beginning after June 30, 2022.

23 Section 505. Availability.

24 Tax credits under this chapter shall be made available by the
25 department on a first-come, first-served basis.

26 Section 506. Carryforward.

27 A tax credit awarded to a donating business during the 2020-
28 2021 or 2021-2022 fiscal year that cannot be used by the
29 donating business during the fiscal year in which awarded may be
30 carried forward and used during the two taxable years following

1 the taxable year in which the tax credit was awarded.

2 CHAPTER 7

3 MISCELLANEOUS PROVISIONS

4 Section 701. Effective date.

5 This act shall take effect immediately.