

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 416

Session of  
1985

INTRODUCED BY REINARD, TRELLO, COLAFELLA, CARN, HALUSKA, BOWSER,  
J. L. WRIGHT, GANNON, PRESTON, LINTON, REBER, STEVENS,  
E. Z. TAYLOR, FREIND, BOYES, CIMINI, BELARDI, OLASZ,  
MACKOWSKI, SIRIANNI, CIVERA, WOGAN, SEMMEL, HERMAN, BOOK,  
FLICK, MORRIS, McVERRY, GEIST, MERRY, POTT, FISCHER, ARTY,  
NAHILL, JOHNSON, GRUPPO, CARLSON, PERZEL AND RAYMOND,  
FEBRUARY 26, 1985

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 26, 1985

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An  
2 act relating to tax reform and State taxation by codifying  
3 and enumerating certain subjects of taxation and imposing  
4 taxes thereon; providing procedures for the payment,  
5 collection, administration and enforcement thereof; providing  
6 for tax credits in certain cases; conferring powers and  
7 imposing duties upon the Department of Revenue, certain  
8 employers, fiduciaries, individuals, persons, corporations  
9 and other entities; prescribing crimes, offenses and  
10 penalties," providing for a credit against the corporate net  
11 income tax.

12 The General Assembly of the Commonwealth of Pennsylvania  
13 hereby enacts as follows:

14 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as  
15 the Tax Reform Code of 1971, is amended by adding a section to  
16 read:

17 Section 402.1. Credit Against Tax.--(a) For the purposes of  
18 this section "new electronic data processing equipment" means an  
19 information system that:

20 (1) Stores, manipulates, retrieves, displays and prints the

1 data that has been electronically inputted.

2 (2) Was purchased, installed and made operational by the  
3 corporation in the tax year for which the tax credit provided by  
4 this section is claimed.

5 (3) Has never been purchased or put in use before by the  
6 purchasing corporation, or any other corporation or individual.

7 (4) Was donated in that year for instructional use to a  
8 public primary or secondary school, or private primary or  
9 secondary school located in this Commonwealth.

10 (b) A corporation shall be allowed a credit, to be computed  
11 as provided in this section, against the tax liability due and  
12 owing in a tax year pursuant to this article. The credit shall  
13 be equal to fifty per cent of the cost of a new electronic data  
14 processing system. To the extent that the credit exceeds twenty-  
15 five per cent of the taxpayer's tax liability otherwise due and  
16 owing pursuant to this article, the excess shall be unused in  
17 that tax year.

18 (c) The credit allowed under subsection (b) remaining unused  
19 may be carried forward to each of the next two tax years as a  
20 credit against the tax liability for each of those two years and  
21 subject to the limitations of subsection (b).

22 (d) This section shall be applicable to taxable years  
23 commencing on and after January 1, 1985.

24 Section 2. This act shall take effect in 60 days.