THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 490   Session of 1997

INTRODUCED BY REINARD, D. W. SNYDER, COY, MAITLAND, ARMSTRONG, FLICK, DENT, BOSCOLA, FAIRCHILD, SEMMEL, TRELLO, WAUGH, E. Z. TAYLOR, STEELMAN, BAKER, NAILOR, DEMPSEY, RAYMOND, FICHTER, L. I. COHEN, EGOLF, McGILL AND SEYFERT, FEBRUARY 12, 1997

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 12, 1997

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 402.2. Credit Against Tax.--(a) A corporation shall

18 be allowed a credit, to be computed as provided in this section,

19 against the tax liability due and owing in a tax year pursuant

20 to this article. The credit shall be equal to fifty per cent of

21 the cost of a new electronic data processing system. To the

1 extent that the credit exceeds twenty-five per cent of the

2 taxpayer's tax liability otherwise due and owing pursuant to

3 this article, the excess shall be unused in that tax year.

4   (b) The credit allowed under subsection (a) remaining unused

5 may be carried forward to each of the next two tax years as a

6 credit against the tax liability for each of those two years and

7 subject to the limitations of subsection (a).

8   (c) For the purposes of this section, "new electronic data

9 processing equipment" means an information system that:

10   (1) Stores, manipulates, retrieves, displays and prints data

11 that have been electronically recorded.

12   (2) Was purchased, installed and made operational by the

13 corporation in the tax year for which the tax credit provided by

14 this section is claimed.

15   (3) Has never been purchased or put in use before by the

16 purchasing corporation, or any other corporation or individual.

17   (4) Was donated in that year for instructional use to a

18 public primary or secondary school, or private primary or

19 secondary school located in this Commonwealth.

20   Section 2. This act shall apply to taxable years commencing

21 on and after January 1, 1998.

22   Section 3. This act shall take effect in 60 days.