

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 132 Session of
1997

INTRODUCED BY HECKLER, HELFRICK, AFFLERBACH, ROBBINS, THOMPSON,
PUNT, HART, SALVATORE, BRIGHTBILL, DELP, KUKOVICH, SCHWARTZ,
COSTA, MURPHY, MOWERY AND KASUNIC, JANUARY 21, 1997

REFERRED TO FINANCE, JANUARY 21, 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," extending the Neighborhood Assistance Tax Credit
11 to personal income taxes imposed under Article III.

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

14 Section 1. The definition of "business firm" in section
15 1902-A of the act of March 4, 1971 (P.L.6, No.2), known as the
16 Tax Reform Code of 1971, amended July 1, 1994 (P.L.413, No.67),
17 is amended to read:

18 Section 1902-A. Definitions.--The following words, terms and
19 phrases, when used in this article, shall have the meanings
20 ascribed to them in this section, except where the context
21 clearly indicates a different meaning:

22 "Business firm." Any business entity authorized to do

1 business in this Commonwealth and subject to taxes imposed by
2 Article IV, VI, VII, VII-A, VIII, VIII-A, IX, X or XV of this
3 act. The term also includes businesses operating as S
4 corporations, sole proprietorships or partnerships which are
5 subject to taxes imposed under Article III of this act.

6 * * *

7 Section 2. Section 1905-A of the act, added June 30, 1995
8 (P.L.139, No.21), is amended to read:

9 Section 1905-A. Grant of Tax Credit.--The Department of
10 Revenue shall grant a tax credit against any tax due under
11 Article III, IV, VI, VII, VII-A, VIII, VIII-A, IX, X or XV of
12 this act, or any tax substituted in lieu thereof in an amount
13 which shall not exceed fifty per cent of the total amount
14 invested during the taxable year by the business firm or twenty
15 per cent of qualified investments by a private company in
16 programs approved pursuant to section 1904-A of this act:
17 Provided, That a tax credit of up to seventy per cent of the
18 total amount invested during the taxable year by a business firm
19 or up to thirty per cent of the amount of qualified investments
20 by a private company may be allowed for investment in programs
21 where activities fall within the scope of special program
22 priorities as defined with the approval of the Governor in
23 regulations promulgated by the Secretary of the Department of
24 Community Affairs. Regulations establishing special program
25 priorities are to be promulgated during the first month of each
26 fiscal year and at such times during the year as the public
27 interest dictates. Such credit shall not exceed two hundred
28 fifty thousand dollars (\$250,000) annually, except in the case
29 of comprehensive service projects which shall be allowed an
30 additional credit equal to seventy per cent of the qualifying

1 investments made in comprehensive service projects; however,
2 such additional credit shall not exceed one hundred seventy-five
3 thousand dollars (\$175,000) annually. No tax credit shall be
4 granted to any bank, bank and trust company, insurance company,
5 trust company, national bank, savings association, mutual
6 savings bank or building and loan association for activities
7 that are a part of its normal course of business. Any tax credit
8 not used in the period the investment was made may be carried
9 over for the next five succeeding calendar or fiscal years until
10 the full credit has been allowed. The total amount of all tax
11 credits allowed pursuant to this act shall not exceed sixteen
12 million seven hundred fifty thousand dollars (\$16,750,000) in
13 any one fiscal year.

14 Section 3. This act shall be retroactive to January 1, 1997.

15 Section 4. This act shall take effect immediately.