

THE GENERAL ASSEMBLY OF PENNSYLVANIA

**HOUSE BILL**  
**No. 1219** Session of  
2007

INTRODUCED BY REICHLEY, BOYD, BROOKS, CALTAGIRONE, CAPPELLI,  
CIVERA, DALLY, DENLINGER, FAIRCHILD, GABIG, GEIST, GIBBONS,  
GINGRICH, GODSHALL, HENNESSEY, HERSHEY, HESS, HICKERNELL,  
HUTCHINSON, M. KELLER, KILLION, KORTZ, MAJOR, MANN,  
McILHATTAN, MILNE, MOYER, MURT, MYERS, PERZEL, PETRARCA,  
PICKETT, PYLE, ROEBUCK, ROSS, SAINATO, SCAVELLO, SCHRODER,  
McILVAINE SMITH, STERN, R. STEVENSON, J. TAYLOR, WATSON,  
YOUNGBLOOD AND YUDICHAK, MAY 4, 2007

REFERRED TO COMMITTEE ON FINANCE, MAY 4, 2007

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An  
2 act relating to the public school system, including certain  
3 provisions applicable as well to private and parochial  
4 schools; amending, revising, consolidating and changing the  
5 laws relating thereto," in educational improvement tax  
6 credit, further defining "educational improvement  
7 organization" and defining "technology development investment  
8 program"; and further providing for limitations.

9 The General Assembly of the Commonwealth of Pennsylvania  
10 hereby enacts as follows:

11 Section 1. The definition of "educational improvement  
12 organization" in section 2002-B of the act of March 10, 1949  
13 (P.L.30, No.14), known as the Public School Code of 1949,  
14 amended July 11, 2006 (P.L.1092, No.114), is amended and the  
15 section is amended by adding a definition to read:

16 Section 2002-B. Definitions.

17 The following words and phrases when used in this article  
18 shall have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 \* \* \*

3 "Educational improvement organization." A nonprofit entity  
4 which:

5 (1) is exempt from Federal taxation under section  
6 501(c)(3) of the Internal Revenue Code of 1986 (Public Law  
7 99-514, 26 U.S.C. § 1 et seq.); and

8 (2) contributes at least 80% of its annual receipts as  
9 grants to a public school for innovative educational programs  
10 or technology development investment programs.

11 For purposes of this definition, a nonprofit entity  
12 "contributes" its annual cash receipts when it expends or  
13 otherwise irrevocably encumbers those funds for expenditure  
14 during the then current fiscal year of the nonprofit entity or  
15 during the next succeeding fiscal year of the nonprofit entity.

16 \* \* \*

17 "Technology development investment program." A technological  
18 or similar program that is not part of the regular academic  
19 program of a public school but enhances the technological  
20 opportunities and resources of the public school available to  
21 public school students.

22 Section 2. Section 2006-B(a) of the act, amended July 11,  
23 2006 (P.L.1092, No.114), is amended to read:

24 Section 2006-B. Limitations.

25 (a) Amount.--

26 (1) The total aggregate amount of all tax credits  
27 approved shall not exceed \$54,000,000 in a fiscal year. No  
28 less than \$36,000,000 of the total aggregate amount shall be  
29 used to provide tax credits for contributions from business  
30 firms to scholarship organizations. No less than \$18,000,000

1 of the total aggregate amount shall be used to provide tax  
2 credits for contributions from business firms to educational  
3 improvement organizations.

4 (2) For the fiscal year 2004-2005 [and each fiscal year  
5 thereafter], the total aggregate amount of all tax credits  
6 approved for contributions from business firms to pre-  
7 kindergarten scholarship programs shall not exceed \$5,000,000  
8 in a fiscal year.

9 (3) For the fiscal year 2007-2008 and each fiscal year  
10 thereafter, the total aggregate amount of all tax credits  
11 approved for contributions from business firms to an  
12 educational improvement organization for the purpose of  
13 providing funding for a technology development investment  
14 program shall not exceed \$15,000,000 in a fiscal year.

15 \* \* \*

16 Section 3. This act shall take effect immediately.