

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 542 Session of 2017

INTRODUCED BY THOMAS, D. COSTA, MICCARELLI AND DAVIS, FEBRUARY 17, 2017

AS AMENDED IN COMMITTEE ON RULES, OCTOBER 3, 2017

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,"~~
11 ~~further providing for the title of the act;~~
12 ~~in sales and use tax, further providing for definitions,~~
13 ~~for imposition of tax and for exclusions from tax; providing~~
14 ~~for marketplace providers and marketplace sellers; further~~
15 ~~providing for remote sales reports;~~
16 ~~in personal income tax, providing for the Pennsylvania~~
17 ~~ABLE Savings Program Tax Exemption, repealing provisions~~
18 ~~relating to contribution for Korea/Vietnam Memorial National~~
19 ~~Education Center and further providing for operational~~
20 ~~provisions;~~
21 ~~in corporate net income tax, further providing for~~
22 ~~definitions and providing for qualified manufacturing~~
23 ~~innovation and reinvestment deduction;~~
24 ~~in gross receipts tax, further providing for imposition~~
25 ~~of tax and establishing the Natural Gas Optimization Fund and~~
26 ~~Natural Gas Optimization Program;~~
27 ~~in realty transfer tax, further providing for definitions~~
28 ~~and for exempt parties;~~
29 ~~in entertainment production tax credit, further providing~~
30 ~~for definitions and for credit for qualified film production~~
31 ~~expenses, providing for film production tax credit districts~~

~~and establishing the Entertainment Economic Enhancement Program;~~
~~in city revitalization and improvement zones, further providing for restrictions and for transfer of property;~~
~~in neighborhood improvement zones, further providing for definitions and providing for transfer of property;~~
~~in keystone opportunity zones, keystone opportunity expansion zones and keystone opportunity improvement zones, further providing for additional keystone opportunity zones;~~
~~in inheritance tax, further providing for timely mailing treated as timely filing and payment;~~
~~providing for an electric grid virtual financial transactions tax;~~
~~in Public Transportation Assistance Fund, further providing for fund;~~
~~providing for fireworks, for unconventional gas wells, for unconventional natural gas air quality protection and for environmental permitting reform;~~
~~in procedure and administration, further providing for petition for reassessment, for petition procedure and for review by board;~~
~~providing for Tobacco Master Settlement Payment Fund;~~
~~in general provisions, further providing for timely filing;~~
~~providing for severability; and~~
~~making related repeals.~~

AMENDING THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), ENTITLED "AN ACT RELATING TO TAX REFORM AND STATE TAXATION BY CODIFYING AND ENUMERATING CERTAIN SUBJECTS OF TAXATION AND IMPOSING TAXES THEREON; PROVIDING PROCEDURES FOR THE PAYMENT, COLLECTION, ADMINISTRATION AND ENFORCEMENT THEREOF; PROVIDING FOR TAX CREDITS IN CERTAIN CASES; CONFERRING POWERS AND IMPOSING DUTIES UPON THE DEPARTMENT OF REVENUE, CERTAIN EMPLOYERS, FIDUCIARIES, INDIVIDUALS, PERSONS, CORPORATIONS AND OTHER ENTITIES; PRESCRIBING CRIMES, OFFENSES AND PENALTIES,"

IN SALES AND USE TAX, FURTHER PROVIDING FOR DEFINITIONS, FOR IMPOSITION OF TAX AND FOR EXCLUSIONS FROM TAX, PROVIDING FOR MARKETPLACE PROVIDERS AND MARKETPLACE SELLERS AND FURTHER PROVIDING FOR REMOTE SALES REPORTS;

PROVIDING FOR LODGING TAX;

IN PERSONAL INCOME TAX, PROVIDING FOR THE PENNSYLVANIA ABLE SAVINGS PROGRAM TAX EXEMPTION, REPEALING PROVISIONS RELATING TO CONTRIBUTION FOR KOREA/VIETNAM MEMORIAL NATIONAL EDUCATION CENTER, FURTHER PROVIDING FOR OPERATIONAL PROVISIONS, PROVIDING FOR DEFINITIONS, FURTHER PROVIDING FOR REQUIREMENT OF WITHHOLDING TAX, PROVIDING FOR WITHHOLDING TAX REQUIREMENT FOR NON-EMPLOYER PAYORS, FURTHER PROVIDING FOR INFORMATION STATEMENT, PROVIDING FOR INFORMATION STATEMENT FOR NON-EMPLOYER PAYORS AND FOR INFORMATION STATEMENT FOR PAYEES, FURTHER PROVIDING FOR TIME FOR FILING WITHHOLDING RETURNS, PROVIDING FOR TIME FOR FILING PAYORS' RETURNS,

<--

1 FURTHER PROVIDING FOR PAYMENT OF TAXES WITHHELD, PROVIDING
2 FOR PAYMENT OF TAXES WITHHELD FOR NON-EMPLOYER PAYORS,
3 FURTHER PROVIDING FOR LIABILITY FOR WITHHELD TAXES, PROVIDING
4 FOR PAYOR'S LIABILITY FOR WITHHELD TAXES AND FOR PAYOR'S
5 FAILURE TO WITHHOLD, FURTHER PROVIDING FOR AMOUNT OF
6 WITHHOLDING TAX AND FOR TREATMENT OF NONRESIDENT PARTNERS,
7 MEMBERS OR SHAREHOLDERS, PROVIDING FOR WITHHOLDING ON INCOME
8 AND FOR ANNUAL WITHHOLDING STATEMENT AND FURTHER PROVIDING
9 FOR REQUIREMENTS CONCERNING RETURNS, NOTICES, RECORDS AND
10 STATEMENTS AND FOR ADDITIONS, PENALTIES AND FEES;

11 IN CORPORATE NET INCOME TAX, FURTHER PROVIDING FOR
12 DEFINITIONS AND PROVIDING FOR QUALIFIED MANUFACTURING
13 INNOVATION AND REINVESTMENT DEDUCTION;

14 IN REALTY TRANSFER TAX, FURTHER PROVIDING FOR DEFINITIONS
15 AND FOR EXEMPT PARTIES;

16 PROVIDING FOR TAX CREDIT ELIGIBILITY;

17 IN ENTERTAINMENT PRODUCTION TAX CREDIT, FURTHER PROVIDING
18 FOR DEFINITIONS AND FOR CREDIT FOR QUALIFIED FILM PRODUCTION
19 EXPENSES, PROVIDING FOR FILM PRODUCTION TAX CREDIT DISTRICTS
20 AND ESTABLISHING THE ENTERTAINMENT ECONOMIC ENHANCEMENT
21 PROGRAM;

22 IN CITY REVITALIZATION AND IMPROVEMENT ZONES, FURTHER
23 PROVIDING FOR RESTRICTIONS AND FOR TRANSFER OF PROPERTY;

24 IN NEIGHBORHOOD IMPROVEMENT ZONES, PROVIDING FOR TRANSFER
25 OF PROPERTY;

26 IN KEYSTONE OPPORTUNITY ZONES, KEYSTONE OPPORTUNITY
27 EXPANSION ZONES AND KEYSTONE OPPORTUNITY IMPROVEMENT ZONES,
28 FURTHER PROVIDING FOR ADDITIONAL KEYSTONE OPPORTUNITY ZONES;

29 IN INHERITANCE TAX, FURTHER PROVIDING FOR TIMELY MAILING
30 TREATED AS TIMELY FILING AND PAYMENT;

31 IN PUBLIC TRANSPORTATION ASSISTANCE FUND, FURTHER
32 PROVIDING FOR FUND;

33 PROVIDING FOR FIREWORKS;

34 IN PROCEDURE AND ADMINISTRATION, FURTHER PROVIDING FOR
35 PETITION FOR REASSESSMENT AND FOR REVIEW BY BOARD;

36 IN GENERAL PROVISIONS, FURTHER PROVIDING FOR TIMELY
37 FILING;

38 PROVIDING FOR SEVERABILITY;

39 MAKING RELATED REPEALS; AND

40 MAKING EDITORIAL CHANGES.

41 The General Assembly of the Commonwealth of Pennsylvania
42 hereby enacts as follows:

43 ~~Section 1. The title of the act of March 4, 1971 (P.L.6,~~ <--
44 ~~No.2), known as the Tax Reform Code of 1971, is amended to read:~~

45 ~~AN ACT~~

46 ~~Relating to tax reform and State taxation by codifying and~~

1 ~~enumerating certain subjects of taxation and imposing taxes~~
2 ~~thereon; providing procedures for the payment, collection,~~
3 ~~administration and enforcement thereof; providing for tax~~
4 ~~credits in certain cases; providing for environmental~~
5 ~~permitting; conferring powers and imposing duties upon the~~
6 ~~Department of Revenue, certain employers, fiduciaries,~~
7 ~~individuals, persons, corporations and other entities;~~
8 ~~prescribing crimes, offenses and penalties.~~

9 ~~Section 1.1. Section 201(m) of the act, amended July 13,~~
10 ~~2016 (P.L.526, No.84), is amended and the section is amended by~~
11 ~~adding clauses to read:~~

12 ~~Section 201. Definitions. The following words, terms and~~
13 ~~phrases when used in this Article II shall have the meaning~~
14 ~~ascribed to them in this section, except where the context~~
15 ~~clearly indicates a different meaning:~~

16 ~~* * *~~

17 ~~(m) "Tangible personal property."~~

18 ~~(1) Corporeal personal property including, but not limited~~
19 ~~to, goods, wares, merchandise, steam and natural and~~
20 ~~manufactured and bottled gas for non residential use,~~
21 ~~electricity for non residential use, prepaid telecommunications,~~
22 ~~premium cable or premium video programming service, spirituous~~
23 ~~or vinous liquor and malt or brewed beverages and soft drinks,~~
24 ~~interstate telecommunications service originating or terminating~~
25 ~~in the Commonwealth and charged to a service address in this~~
26 ~~Commonwealth, intrastate telecommunications service with the~~
27 ~~exception of (i) subscriber line charges and basic local~~
28 ~~telephone service for residential use and (ii) charges for~~
29 ~~telephone calls paid for by inserting money into a telephone~~
30 ~~accepting direct deposits of money to operate, provided further,~~

1 ~~the service address of any intrastate telecommunications service~~
2 ~~is deemed to be within this Commonwealth or within a political~~
3 ~~subdivision, regardless of how or where billed or paid. In the~~
4 ~~case of any such interstate or intrastate telecommunications~~
5 ~~service, any charge paid through a credit or payment mechanism~~
6 ~~which does not relate to a service address, such as a bank,~~
7 ~~travel, credit or debit card, but not including prepaid~~
8 ~~telecommunications, is deemed attributable to the address of~~
9 ~~origination of the telecommunications service.~~

10 ~~(2) The term shall include the following, whether~~
11 ~~electronically or digitally delivered, streamed or accessed and~~
12 ~~whether purchased singly, by subscription or in any other~~
13 ~~manner, including maintenance[,] and updates [and support]:~~

14 ~~(i) video;~~

15 ~~(ii) photographs;~~

16 ~~(iii) books;~~

17 ~~(iv) any other otherwise taxable printed matter;~~

18 ~~(v) applications, commonly known as apps;~~

19 ~~(vi) games;~~

20 ~~(vii) music;~~

21 ~~(viii) any other audio, including satellite radio service;~~

22 ~~(ix) canned software, notwithstanding the function~~
23 ~~performed, including support, except separately invoiced help~~
24 ~~desk or call center support; or~~

25 ~~(x) any other otherwise taxable tangible personal property~~
26 ~~electronically or digitally delivered, streamed or accessed.~~

27 ~~* * *~~

28 ~~(eee) "Marketplace provider." A person who, either directly~~
29 ~~or indirectly through agreements or arrangements with third~~
30 ~~parties and pursuant to an agreement with a marketplace seller,~~

~~1 facilitates a sale by a marketplace seller. For purposes of this
2 definition, a person "facilitates a sale" if the person or an
3 affiliated person:~~

~~4 (1) collects the payment made by a customer to or for a
5 marketplace seller regardless of whether the marketplace
6 provider receives compensation or other consideration in
7 exchange for its services; and~~

~~8 (2) provides the forum in which, or by means of which, the
9 sale takes place, including a shop, a store, a booth, an
10 Internet website, a catalog or a similar forum.~~

~~11 (fff) "Marketplace seller." A person, whether or not the
12 person is required to register to collect tax under this
13 article, who:~~

~~14 (1) has an agreement with a marketplace provider under which
15 the marketplace provider will facilitate sales for the person;
16 and~~

~~17 (2) makes sales at retail subject to tax under this article.~~

~~18 Section 2. Section 202(a) of the act is amended to read:~~

~~19 Section 202. Imposition of Tax. (a) There is hereby~~

~~20 imposed upon each separate sale at retail of tangible personal
21 property or services, as defined herein, within this~~

~~22 Commonwealth a tax of six per cent of the purchase price, which
23 tax shall be collected by the vendor from the purchaser, or by
24 the marketplace provider for each separate sale at retail
25 facilitated for a marketplace seller, and shall be paid over to
26 the Commonwealth as herein provided.~~

~~27 * * *~~

~~28 Section 2.1. Section 204(13) of the act, amended July 13,
29 2016 (P.L.526, No.84), is amended to read:~~

~~30 Section 204. Exclusions from Tax. The tax imposed by~~

1 ~~section 202 shall not be imposed upon any of the following:~~

2 ~~* * *~~

3 ~~(13) The sale at retail, or use of wrapping paper, wrapping~~
4 ~~twine, bags, cartons, tape, rope, labels, nonreturnable~~
5 ~~containers [and], all other wrapping supplies and kegs used to~~
6 ~~contain malt or brewed beverages, when such use is incidental to~~
7 ~~the delivery of any personal property, except that any charge~~
8 ~~for wrapping or packaging shall be subject to tax at the rate~~
9 ~~imposed by section 202, unless the property wrapped or packaged~~
10 ~~will be resold by the purchaser of the wrapping or packaging~~
11 ~~service. As used in this paragraph, the term "cartons" includes~~
12 ~~corrugated boxes used by a person engaged in the manufacture of~~
13 ~~snack food products to deliver the manufactured product, whether~~
14 ~~or not the boxes are returnable for potential reuse.~~

15 ~~* * *~~

16 ~~Section 2.2. Article II of the act is amended by adding a~~
17 ~~part to read:~~

18 PART V A

19 MARKETPLACE PROVIDERS AND MARKETPLACE SELLERS

20 Section 213. Marketplace Providers and Marketplace
21 Sellers. (a) A marketplace provider shall:

22 (1) comply with all of the provisions of this article with
23 respect to the collection of tax by vendors;

24 (2) have all the duties, benefits and entitlements of a
25 person required to collect tax under this article with respect
26 to sales facilitated for a marketplace seller, as if the
27 marketplace provider were the vendor with respect to the sale,
28 including the right to receive the refund authorized by section
29 247 or section 247.1; and

30 (3) keep the records and information required of a vendor

1 ~~under this article.~~

2 ~~(b) A marketplace seller is not a person required to collect~~
3 ~~tax for purposes of this section regarding a particular sale at~~
4 ~~retail if:~~

5 ~~(1) the marketplace seller can show that the sale was~~
6 ~~facilitated by a marketplace provider from whom the seller has~~
7 ~~received a properly completed certificate of collection on a~~
8 ~~form prescribed by the department certifying that the~~
9 ~~marketplace provider is registered to collect tax and will~~
10 ~~collect tax on all taxable sales by the marketplace seller and~~
11 ~~with other information as the department may prescribe; and~~

12 ~~(2) any failure of the marketplace provider to collect the~~
13 ~~proper amount of tax in regard to the sale was not the result of~~
14 ~~the marketplace seller providing the marketplace provider with~~
15 ~~incorrect information.~~

16 ~~(c) This section shall be administered in a manner~~
17 ~~consistent with this article as if a certificate of collection~~
18 ~~were a resale or exemption certificate, including with regard to~~
19 ~~the completeness of the certificate of collection and the timing~~
20 ~~of its acceptance by the marketplace seller, provided that, with~~
21 ~~regard to any sales by a marketplace seller that are facilitated~~
22 ~~by a marketplace provider who is affiliated with the marketplace~~
23 ~~seller, the marketplace seller shall be deemed liable as a~~
24 ~~person under a duty to act for the marketplace provider for~~
25 ~~purposes of this article.~~

26 ~~(d) A marketplace provider is relieved of liability under~~
27 ~~this section for failure to collect the correct amount of tax to~~
28 ~~the extent that the marketplace provider can show that the error~~
29 ~~was due to incorrect information given to the marketplace~~
30 ~~provider by the marketplace seller. This subsection shall not~~

1 ~~apply if the marketplace seller and marketplace provider are~~
2 ~~affiliated.~~

3 ~~(c) For purposes of this section, two persons are affiliated~~
4 ~~if one person has an ownership interest of more than five per~~
5 ~~cent, whether direct or indirect, in the other, or where an~~
6 ~~ownership interest of more than five per cent, whether direct or~~
7 ~~indirect, is held in each of the persons by another person or by~~
8 ~~a group of other persons which are affiliated persons with~~
9 ~~respect to each other.~~

10 Section 2.3. Section 278 of the act is amended by adding a
11 subsection to read:

12 Section 278. Remote Sales Reports. * * *

13 ~~(c) If Federal legislation relating to remote sellers has~~
14 ~~not been enacted by December 31, 2018, the Independent Fiscal~~
15 ~~Office, in conjunction with the Department of Revenue, shall~~
16 ~~conduct a study assessing the legal implications and fiscal~~
17 ~~impact of mandating notice requirements for remote sellers. By~~
18 ~~April 1, 2019, results of the study, if a study is produced,~~
19 ~~shall be provided to the chairman and minority chairman of the~~
20 ~~Appropriations Committee of the Senate, the chairman and~~
21 ~~minority chairman of the Finance Committee of the Senate, the~~
22 ~~chairman and minority chairman of the Appropriations Committee~~
23 ~~of the House of Representatives and the chairman and minority~~
24 ~~chairman of the Finance Committee of the House of~~
25 ~~Representatives.~~

26 Section 3. The act is amended by adding a section to read:

27 ~~Section 304.2. Pennsylvania ABLE Savings Program Tax~~
28 ~~Exemption. (a) The following shall be exempt from all taxation~~
29 ~~by the Commonwealth and its political subdivisions:~~

30 ~~(1) Undistributed earnings on an account.~~

1 ~~(2) An amount distributed from an account that is not~~
2 ~~included in gross income under section 529A(c)(1) of the~~
3 ~~Internal Revenue Code.~~

4 ~~(b) The following shall apply:~~

5 ~~(1) An amount contributed to an account shall be deductible~~
6 ~~from the taxable income of the contributor under this article~~
7 ~~for the tax year the contribution was made.~~

8 ~~(2) The total contributions made by a contributor during a~~
9 ~~taxable year to all accounts that are allowable as a deduction~~
10 ~~under this section shall not exceed the dollar amount under~~
11 ~~section 2503(b) of the Internal Revenue Code.~~

12 ~~(3) The deduction shall not result in the contributor's~~
13 ~~taxable income being less than zero.~~

14 ~~(4) The department and the Treasury Department shall~~
15 ~~cooperate in verifying account information relating to~~
16 ~~contributions to an account itemized by a contributor and the~~
17 ~~contributor's specific contributions.~~

18 ~~(c) An amount that is distributed from an account and not~~
19 ~~otherwise exempt from taxation under this section shall be~~
20 ~~taxable income to the designated beneficiary under this article.~~

21 ~~(d) A change in designated beneficiaries under section~~
22 ~~529A(c) of the Internal Revenue Code shall not constitute a~~
23 ~~taxable event.~~

24 ~~(e) As used in this section, the following words and phrases~~
25 ~~shall have the meanings given to them in this subsection unless~~
26 ~~the context clearly indicates otherwise:~~

27 ~~"Account." An ABLE savings account as defined in section 102~~
28 ~~of the Pennsylvania ABLE Act.~~

29 ~~"Contributor." An individual who makes a contribution to an~~
30 ~~account as defined in section 102 of the Pennsylvania ABLE Act.~~

1 ~~"Designated beneficiary." The term shall have the same~~
2 ~~meaning as provided in section 102 of the Pennsylvania ABLE Act.~~

3 ~~"Internal Revenue Code." The Internal Revenue Code of 1986-~~
4 ~~(Public Law 99-514, 26 U.S.C. § 1 et seq.), as amended.~~

5 ~~"Pennsylvania ABLE Act." The act of April 18, 2016 (P.L.128,~~
6 ~~No.17), known as the Pennsylvania ABLE Act.~~

7 ~~"Pennsylvania ABLE Savings Program." The program established~~
8 ~~under the Pennsylvania ABLE Act.~~

9 ~~"Qualified disability expense." The term shall have the same~~
10 ~~meaning as provided in section 102 of the Pennsylvania ABLE Act.~~

11 ~~"Rollover distribution." The term shall have the same~~
12 ~~meaning as provided in section 102 of the Pennsylvania ABLE Act~~

13 * * *

14 Section 4. Section 315.6 of the act is repealed:

15 {Section 315.6. Contribution for Korea/Vietnam Memorial
16 National Education Center. (a) For tax years 1997, 1998, 1999,
17 2000, 2001, 2002, 2003 and 2004, the department shall provide a
18 space on the face of the Pennsylvania individual income tax
19 return form whereby an individual may voluntarily designate a
20 contribution of any amount from the individual's tax refund to
21 the Korea/Vietnam Memorial National Education Center.

22 (b) The amount designated by an individual on the
23 Pennsylvania individual income tax return form shall be deducted
24 from the tax refund to which the individual is entitled and
25 shall not constitute a charge against the income tax revenues
26 due the Commonwealth.

27 (c) The department shall determine annually the total amount
28 designated by individual taxpayers under this section and shall
29 report the amount to the State Treasurer, who shall prepare the
30 appropriate documentation and transfer the designated amount

1 ~~from the General Fund to the Korea/Vietnam Memorial National~~
2 ~~Education Center.~~

3 ~~(d) The department shall provide adequate information~~
4 ~~regarding the center and its purposes in its instructions for~~
5 ~~tax years 1997, 1998, 1999, 2000, 2001, 2002, 2003 and 2004~~
6 ~~which accompany Pennsylvania individual income tax return forms~~
7 ~~to include the address of the Korea/Vietnam Memorial National~~
8 ~~Education Center to which contributions may be sent by taxpayers~~
9 ~~who wish to make additional contributions to the center.~~

10 ~~(e) On or before March 31 of each year, the Korea/Vietnam~~
11 ~~Memorial National Education Center shall submit a report~~
12 ~~detailing contributions received and activities undertaken~~
13 ~~during the prior calendar year to the Military and Veterans'~~
14 ~~Affairs Committee of the Senate and the Veterans Affairs and~~
15 ~~Emergency Preparedness Committee of the House of~~
16 ~~Representatives.~~

17 ~~(f) This section shall expire December 31, 2005.]~~

18 ~~Section 4.1. Section 315.9(b.1) and (c) of the act are~~
19 ~~amended to read:~~

20 ~~Section 315.9. Operational Provisions.~~

21 ~~* * *~~

22 ~~(b.1) Notwithstanding subsection (b), the checkoffs~~
23 ~~established in sections 315.2 [and], 315.3, 315.4, 315.7, 315.8,~~
24 ~~315.10 and 315.11 shall not expire.~~

25 ~~[(c) Sections 315.3, 315.4 and 315.8 shall expire January 1,~~
26 ~~2018.]~~

27 ~~Section 4.2. Section 401(3)4(c) of the act is amended and~~
28 ~~the subsection is amended by adding a clause to read:~~

29 ~~Section 401. Definitions. The following words, terms, and~~
30 ~~phrases, when used in this article, shall have the meaning~~

1 ascribed to them in this section, except where the context
2 clearly indicates a different meaning:

3 * * *

4 (3) ~~"Taxable income."~~ * * *

5 4. * * *

6 (c) (1) ~~The net loss deduction shall be the lesser of:~~

7 (A) (I) ~~For taxable years beginning before January 1, 2007,~~
8 ~~two million dollars (\$2,000,000);~~

9 (II) ~~For taxable years beginning after December 31, 2006,~~
10 ~~the greater of twelve and one half per cent of taxable income as~~
11 ~~determined under subclause 1 or, if applicable, subclause 2 or~~
12 ~~three million dollars (\$3,000,000);~~

13 (III) ~~For taxable years beginning after December 31, 2008,~~
14 ~~the greater of fifteen per cent of taxable income as determined~~
15 ~~under subclause 1 or, if applicable, subclause 2 or three~~
16 ~~million dollars (\$3,000,000);~~

17 (IV) ~~For taxable years beginning after December 31, 2009,~~
18 ~~the greater of twenty per cent of taxable income as determined~~
19 ~~under subclause 1 or, if applicable, subclause 2 or three~~
20 ~~million dollars (\$3,000,000);~~

21 (V) ~~For taxable years beginning after December 31, 2013, the~~
22 ~~greater of twenty five per cent of taxable income as determined~~
23 ~~under subclause 1 or, if applicable, subclause 2 or four million~~
24 ~~dollars (\$4,000,000);~~

25 (VI) ~~For taxable years beginning after December 31, 2014,~~
26 ~~the greater of thirty per cent of taxable income as determined~~
27 ~~under subclause 1 or, if applicable, subclause 2 or five million~~
28 ~~dollars (\$5,000,000); [or]~~

29 ~~(VII) For taxable years beginning after December 31, 2017,~~
30 ~~thirty five per cent of taxable income as determined under~~

1 ~~subclause 1 or, if applicable, subclause 2;~~

2 ~~(VIII) For taxable years beginning after December 31, 2018,~~
3 ~~forty per cent of taxable income as determined under subclause 1~~
4 ~~or, if applicable, subclause 2;~~

5 ~~(B) The amount of the net loss or losses which may be~~
6 ~~carried over to the taxable year or taxable income as determined~~
7 ~~under subclause 1 or, if applicable, subclause 2.~~

8 ~~(1.1) In no event shall the net loss deduction include more~~
9 ~~than five hundred thousand dollars (\$500,000), in the aggregate,~~
10 ~~of net losses from taxable years 1988 through 1994.~~

11 ~~(2) (A) A net loss for a taxable year may only be carried~~
12 ~~over pursuant to the following schedule:~~

13	Taxable Year	Carryover
14	1981	1 taxable year
15	1982	2 taxable years
16	1983-1987	3 taxable years
17	1988	2 taxable years plus
18		1 taxable year
19		starting with the
20		1995 taxable year
21	1989	1 taxable year plus
22		2 taxable years
23		starting with the
24		1995 taxable year
25	1990-1993	3 taxable years
26		starting with the
27		1995 taxable year
28	1994	1 taxable year
29	1995-1997	10 taxable years
30	1998 and thereafter	20 taxable years

1 ~~(B) The earliest net loss shall be carried over to the~~
2 ~~earliest taxable year to which it may be carried under this~~
3 ~~schedule. The total net loss deduction allowed in any taxable~~
4 ~~year shall not exceed:~~

5 ~~(I) Two million dollars (\$2,000,000) for taxable years~~
6 ~~beginning before January 1, 2007.~~

7 ~~(II) The greater of twelve and one half per cent of the~~
8 ~~taxable income as determined under subclause 1 or, if~~
9 ~~applicable, subclause 2 or three million dollars (\$3,000,000)~~
10 ~~for taxable years beginning after December 31, 2006.~~

11 ~~(III) The greater of fifteen per cent of the taxable income~~
12 ~~as determined under subclause 1 or, if applicable, subclause 2~~
13 ~~or three million dollars (\$3,000,000) for taxable years~~
14 ~~beginning after December 31, 2008.~~

15 ~~(IV) The greater of twenty per cent of the taxable income as~~
16 ~~determined under subclause 1 or, if applicable, subclause 2 or~~
17 ~~three million dollars (\$3,000,000) for taxable years beginning~~
18 ~~after December 31, 2009.~~

19 ~~(V) The greater of twenty five per cent of taxable income as~~
20 ~~determined under subclause 1 or, if applicable, subclause 2 or~~
21 ~~four million dollars (\$4,000,000) for taxable years beginning~~
22 ~~after December 31, 2013.~~

23 ~~(VI) The greater of thirty per cent of taxable income as~~
24 ~~determined under subclause 1 or, if applicable, subclause 2 or~~
25 ~~five million dollars (\$5,000,000) for taxable years beginning~~
26 ~~after December 31, 2014.~~

27 ~~(VII) Thirty five per cent of taxable income as determined~~
28 ~~under subclause 1 or, if applicable, subclause 2 for taxable~~
29 ~~years beginning after December 31, 2017.~~

30 ~~(VIII) Forty per cent of taxable income as determined under~~

1 ~~subclause 1 or, if applicable, subclause 2 for taxable years~~
2 ~~beginning after December 31, 2018.~~

3 ~~(c.1) A deduction under part IV.1 shall be allowed from~~
4 ~~taxable income as proscribed in a satisfaction commitment letter~~
5 ~~executed between the Department of Community and Economic~~
6 ~~Development and a taxpayer under section 407.7(c).~~

7 * * *

8 Section 4.3. Article IV of the act is amended by adding a
9 part to read:

10 PART IV A

11 QUALIFIED MANUFACTURING INNOVATION

12 AND REINVESTMENT DEDUCTION

13 ~~Section 407.6. Definitions. (a) For the purposes of this~~
14 ~~part only, the following words, terms and phrases shall have the~~
15 ~~meaning ascribed to them in this subsection, except where the~~
16 ~~context clearly indicates a different meaning:~~

17 ~~(1) "Annual taxable payroll." The total amount of wages~~
18 ~~paid in this Commonwealth by a taxpayer for the base year or~~
19 ~~year one, as applicable, from which personal income tax under~~
20 ~~Article III is withheld.~~

21 ~~(2) "Base year." The four calendar quarters preceding the~~
22 ~~start date.~~

23 ~~(3) "Department." The Department of Community and Economic~~
24 ~~Development of the Commonwealth.~~

25 ~~(4) "Manufacture." The mechanical, physical, biological or~~
26 ~~chemical transformation of materials, substances or components~~
27 ~~into new products that are creations of new items of tangible~~
28 ~~personal property for sale.~~

29 ~~(5) "Qualified manufacturing innovation and reinvestment~~
30 ~~deduction." An allowable deduction as determined, calculated~~

1 ~~and executed in a commitment letter between the department and~~
2 ~~the taxpayer.~~

3 ~~(6) "Qualified tax liability." A taxpayer's tax liability~~
4 ~~under this article.~~

5 ~~(7) "Start date." The first day of the calendar quarter in~~
6 ~~which a taxpayer advises the department of the taxpayer's intent~~
7 ~~to initiate an eligible project unless the applicant requests~~
8 ~~and the department agrees to a later start date.~~

9 ~~(8) "Taxpayer." An employer subject to the tax under this~~
10 ~~article.~~

11 ~~(9) "Year one." The four calendar quarters immediately~~
12 ~~following the start date.~~

13 ~~Section 407.7. Manufacturing Innovation and Reinvestment~~
14 ~~Deduction. (a) In order to be eligible to receive a~~
15 ~~manufacturing innovation and reinvestment deduction, a taxpayer~~
16 ~~must demonstrate to the department a capital investment in~~
17 ~~excess of one hundred million dollars (\$100,000,000) for the~~
18 ~~creation of new or refurbished manufacturing capacity within~~
19 ~~three years of a designated start date.~~

20 ~~(b) (1) A taxpayer must advise the department in advance of~~
21 ~~the start date of any project for which the taxpayer may seek a~~
22 ~~qualified manufacturing innovation and reinvestment deduction. A~~
23 ~~taxpayer must attest the taxpayer's intent to meet the~~
24 ~~eligibility criteria and provide relevant information pertinent~~
25 ~~to the project's size and scope in a manner as determined by the~~
26 ~~department.~~

27 ~~(2) Within five years of a project's start date, a taxpayer~~
28 ~~must complete to the department's satisfaction an application on~~
29 ~~a form and in a manner as determined by the department to attest~~
30 ~~that the project has been completed and the eligibility criteria~~

1 ~~has been satisfied.~~

2 ~~(c) Upon the receipt of the taxpayer's application, the~~
3 ~~Department of Revenue must make a finding that the applicant has~~
4 ~~filed all required State tax reports and returns for all~~
5 ~~applicable tax years and paid any balance of State tax due as~~
6 ~~determined at settlement, assessment or determination and the~~
7 ~~department, then in conjunction with the Department of Revenue,~~
8 ~~shall make an eligibility or satisfaction determination within~~
9 ~~ninety days of submission. If the department makes a~~
10 ~~satisfaction determination, the department and the taxpayer~~
11 ~~shall execute a satisfaction commitment letter containing the~~
12 ~~following:~~

13 ~~(1) The number of new jobs created and their corresponding~~
14 ~~description.~~

15 ~~(2) The number of new jobs created during construction of~~
16 ~~the project.~~

17 ~~(3) The amount of private capital investment in the creation~~
18 ~~of new jobs.~~

19 ~~(4) The increase in the annual taxable payroll attributable~~
20 ~~to new manufacturing jobs.~~

21 ~~(5) A determination of the maximum allowable deduction~~
22 ~~against a taxpayer's qualified tax liability under this article.~~

23 ~~(6) Any other information as the department deems~~
24 ~~appropriate.~~

25 ~~(d) (1) Upon determining a taxpayer's satisfaction of the~~
26 ~~eligibility criteria, the department shall calculate the maximum~~
27 ~~allowable deduction that a taxpayer may claim against the~~
28 ~~taxpayer's taxable income under this article. The deduction~~
29 ~~shall be equal to five per cent of the private capital~~
30 ~~investment utilized in the creation of new or refurbished~~

1 ~~manufacturing capacity per tax year for a period of five years.~~

2 ~~(2) A taxpayer may utilize the amount of the deduction in~~
3 ~~each year of the succeeding five tax years immediately following~~
4 ~~the department's satisfaction determination and the execution of~~
5 ~~a satisfaction commitment letter.~~

6 ~~(3) A taxpayer cannot use the deduction to reduce its tax~~
7 ~~liability by more than fifty per cent of the tax liability under~~
8 ~~this article for the taxable year. The deduction is~~
9 ~~nontransferable and any unused portion in a tax year shall~~
10 ~~expire at the end of the corresponding tax year.~~

11 Section 4.4. ~~Section 1101(a) introductory paragraph, (b)~~
12 ~~heading and introductory paragraph, (c), (c.1), (e) and (f) of~~
13 ~~the act, amended July 13, 2016 (P.L.526, No.84), are amended and~~
14 ~~the section is amended by adding subsections to read:~~

15 Section 1101. Imposition of Tax. (a) General Rule. Every
16 pipeline company, conduit company, steamboat company, canal
17 company, slack water navigation company, transportation company,
18 and every other company, association, joint stock association,
19 or limited partnership, now or hereafter incorporated or
20 organized by or under any law of this Commonwealth, or now or
21 hereafter organized or incorporated by any other state or by the
22 United States or any foreign government, and doing business in
23 this Commonwealth, and every copartnership, person or persons
24 owing, operating or leasing to or from another corporation,
25 company, association, joint stock association, limited
26 partnership, copartnership, person or persons, any pipeline,
27 conduit, steamboat, canal, slack water navigation, or other
28 device for the transportation of freight, passengers, baggage,
29 or oil, except motor vehicles and railroads, and every limited
30 partnership, association, joint stock association, corporation

1 ~~or company engaged in, or hereinafter engaged in, the~~
2 ~~transportation of freight or oil within this State, and every~~
3 ~~telephone company, telegraph company or provider of mobile~~
4 ~~telecommunications services now or hereafter incorporated or~~
5 ~~organized by or under any law of this Commonwealth, or now or~~
6 ~~hereafter organized or incorporated by any other state or by the~~
7 ~~United States or any foreign government and doing business in~~
8 ~~this Commonwealth, and every limited partnership, association,~~
9 ~~joint stock association, copartnership, person or persons,~~
10 ~~engaged in telephone or telegraph business or providing mobile~~
11 ~~telecommunications services in this Commonwealth, shall pay to~~
12 ~~the State Treasurer, through the Department of Revenue, a tax~~
13 ~~[of forty five mills with a surtax equal to five mills] at the~~
14 ~~rate set forth in subsection (j.1) upon each dollar of the gross~~
15 ~~receipts of the corporation, company or association, limited~~
16 ~~partnership, joint stock association, copartnership, person or~~
17 ~~persons received from:~~

18 ~~* * *~~

19 ~~(b) Electric Light, Waterpower and Hydro electric~~
20 ~~{Utilities} Companies. Every electric light company, waterpower~~
21 ~~company and hydro electric company now or hereafter incorporated~~
22 ~~or organized by or under any law of this Commonwealth, or now or~~
23 ~~hereafter organized or incorporated by any other state or by the~~
24 ~~United States or any foreign government and doing business in~~
25 ~~this Commonwealth, and every limited partnership, association,~~
26 ~~joint stock association, copartnership, person or persons,~~
27 ~~engaged in electric light and power business, waterpower~~
28 ~~business and hydro electric business in this Commonwealth, shall~~
29 ~~pay to the State Treasurer, through the Department of Revenue, a~~
30 ~~tax [of forty four mills] at the rate set forth in subsection~~

1 ~~(j.1) upon each dollar of the gross receipts of the corporation,~~
2 ~~company or association, limited partnership, joint stock~~
3 ~~association, copartnership, person or persons, received from:~~

4 * * *

5 ~~(b.2) Natural Gas Supply and Natural Gas Distribution~~
6 ~~Companies.~~

7 ~~(1) Every natural gas supply company and natural gas~~
8 ~~distribution company, incorporated or organized under the laws~~
9 ~~of the United States, this Commonwealth, a state or a foreign~~
10 ~~government, on or after the effective date of this subsection~~
11 ~~and doing business in this Commonwealth, and every limited~~
12 ~~partnership, association, joint stock association,~~
13 ~~copartnership, or person, engaged in natural gas supply or~~
14 ~~natural gas distribution business in this Commonwealth, shall~~
15 ~~pay to the State Treasurer, through the Department of Revenue, a~~
16 ~~tax at the rate set forth in subsection (j.1) upon each dollar~~
17 ~~of the gross receipts of the corporation, company or~~
18 ~~association, limited partnership, joint stock association,~~
19 ~~copartnership or person, received from the sales and delivery of~~
20 ~~natural gas to retail gas customers within this Commonwealth,~~
21 ~~except gross receipts derived from:~~

22 ~~(i) sales of liquefied petroleum gas;~~

23 ~~(ii) (Reserved);~~

24 ~~(iii) (Reserved);~~

25 ~~(iv) sales to an electric generation company that are~~
26 ~~consumed for the purpose of generating electricity; and~~

27 ~~(v) gross receipts derived from the sales for resale to~~
28 ~~persons, partnerships, associations or corporations subject to~~
29 ~~the tax imposed by this act upon gross receipts derived from the~~
30 ~~resale.~~

~~(2) For purposes of this subsection, sales of natural gas to retail gas customers shall include all receipts from natural gas supply services and natural gas distribution services.~~

~~(3) For the purposes of this subsection, the terms "natural gas distribution services," "natural gas supply services" and "retail gas customers" shall have the same meanings as the terms have in 66 Pa.C.S. § 2202 (relating to definitions).~~

~~(c) Payment of Tax; Reports. The said taxes imposed under subsections (a) [and (b)], (b) and (b.2) shall be paid within the time prescribed by law, and for the purpose of ascertaining the amount of the same, it shall be the duty of the treasurer or other proper officer of the said company, copartnership, limited partnership, association, joint stock association or corporation, or person or persons, to transmit to the Department of Revenue on or before March 15 of each year an annual report, and under oath or affirmation, of the amount of gross receipts of the said companies, copartnerships, corporations, associations, joint stock associations, limited partnerships, person or persons, derived from all sources, and of gross receipts from business done wholly within this State and in the case of electric energy producers that transmit energy to other states referred to in clause (2) of subsection (b), a compilation of the relevant information regarding operating and maintenance expenses and depreciation, during the period of twelve months immediately preceding January 1 of each year.~~

~~(c.1) Safe Harbor Base year. For purposes of the estimated tax requirements under sections 3003.2 and 3003.3, the "safe harbor base year" tax amount for providers of mobile telecommunications services and for a natural gas supply company and a natural gas distribution company subject to the provisions~~

1 ~~of subsection (b.2) shall be the amount that would have been~~
2 ~~required to be paid by the taxpayer if the taxpayer had been~~
3 ~~subject to this article.~~

4 ~~(e) Time to File Reports. The time for filing annual~~
5 ~~reports may be extended, estimated assessments may be made by~~
6 ~~the Department of Revenue if reports are not filed, and the~~
7 ~~penalties for failing to file reports and pay the taxes imposed~~
8 ~~under subsection (a) [and (b)], (b) and (b.2) shall be as~~
9 ~~prescribed by the laws defining the powers and duties of the~~
10 ~~Department of Revenue. In any case where the works of any~~
11 ~~corporation, company, copartnership, association, joint stock~~
12 ~~association, limited partnership, person or persons are operated~~
13 ~~by another corporation, company, copartnership, association,~~
14 ~~joint stock association, limited partnership, person or persons,~~
15 ~~the taxes imposed under subsections (a) [and (b)], (b) and (b.2)~~
16 ~~shall be apportioned between the corporations, companies,~~
17 ~~copartnerships, associations, joint stock associations, limited~~
18 ~~partnerships, person or persons in accordance with the terms of~~
19 ~~their respective leases or agreements, but for the payment of~~
20 ~~the said taxes the Commonwealth shall first look to the~~
21 ~~corporation, company, copartnership, association, joint stock~~
22 ~~association, limited partnership, person or persons operating~~
23 ~~the works, and upon payment by the said company, corporation,~~
24 ~~copartnership, association, joint stock association, limited~~
25 ~~partnership, person or persons of a tax upon the receipts, as~~
26 ~~herein provided, derived from the operation thereof, no other~~
27 ~~corporation, company, copartnership, association, joint stock~~
28 ~~association, limited partnership, person or persons shall be~~
29 ~~held liable for any tax imposed under subsections (a) [and (b)],~~
30 ~~(b) and (b.2) upon the proportion of said receipts received by~~

1 ~~said corporation, company, copartnership, association, joint-~~
2 ~~stock association, limited partnership, person or persons for-~~
3 ~~the use of said works.~~

4 ~~(f) Application to Municipalities. This article shall be~~
5 ~~construed to apply to municipalities, and to impose a tax upon~~
6 ~~the gross receipts derived from any municipality owned or~~
7 ~~operated public utility or from any public utility service,~~
8 ~~natural gas distribution service or natural gas supply service~~
9 ~~furnished by any municipality, except that, except as provided~~
10 ~~under subsection (f.1), gross receipts shall be exempt from the~~
11 ~~tax, to the extent that such gross receipts are derived from~~
12 ~~business done inside the limits of the municipality, owning or~~
13 ~~operating the public utility or furnishing the public utility~~
14 ~~service.~~

15 ~~(f.1) Certain Gross Receipts Taxed. The exemption from tax~~
16 ~~under subsection (f) shall not apply to gross receipts received~~
17 ~~from the sales and delivery of natural gas to retail gas~~
18 ~~customers under subsection (b.2).~~

19 ~~* * *~~

20 ~~(j.1) The tax imposed under this section shall be imposed at~~
21 ~~the following rates:~~

22 ~~(1) Sixty mills for receipts subject to tax under subsection~~
23 ~~(a).~~

24 ~~(2) Fifty mills for receipts subject to tax under subsection~~
25 ~~(b).~~

26 ~~(3) Fifty seven mills for receipts subject to tax under~~
27 ~~subsection (b.2).~~

28 ~~(j.2) Schedule for Certain Payments.~~

29 ~~(1) For calendar year 2017, the tax applicable to the~~
30 ~~payment of the tax under subsection (b.2) shall be due on March~~

1 ~~15, 2018.~~

2 ~~(2) For calendar year 2018, the following schedule applies~~
3 ~~to the payment of the tax under subsection (b.2):~~

4 ~~(i) Fifty per cent of the estimated tax shall be due on~~
5 ~~March 15, 2018.~~

6 ~~(ii) Fifty per cent of the estimated tax shall be due on~~
7 ~~June 15, 2018.~~

8 ~~(3) For calendar years after 2018, the payment of the~~
9 ~~estimated tax under subsection (b.2) shall be due in accordance~~
10 ~~with section 3003.2.~~

11 * * *

12 Section 5. Article XI of the act is amended by adding parts
13 to read:

14 PART V

15 NATURAL GAS OPTIMIZATION FUND

16 Section 1111. Natural Gas Optimization Fund.

17 The Natural Gas Optimization Fund is established in the State
18 Treasury.

19 Section 1112. Transfer of funds.

20 ~~(a) Natural Gas Optimization Fund. Money from the tax~~
21 ~~imposed under section 1101(b.2) shall be deposited into the~~
22 ~~General Fund. Twenty million dollars of the money deposited into~~
23 ~~the General Fund under this section shall be transferred~~
24 ~~annually to the Natural Gas Optimization Fund established in~~
25 ~~section 1111.~~

26 ~~(b) Low Income Home Energy Assistance Program. Twenty~~
27 ~~million dollars of the money deposited into the General Fund in~~
28 ~~accordance with this section shall be transferred annually to~~
29 ~~the Department of Human Services of the Commonwealth to augment~~
30 ~~activities related to the Low Income Home Energy Assistance~~

1 ~~Program as authorized under sections 201 and 206 of Article II~~
2 ~~of the act of June 13, 1967 (P.L.31, No.21), known as the Human~~
3 ~~Services Code.~~

4 ~~PART VI~~

5 ~~NATURAL GAS OPTIMIZATION PROGRAM~~

6 ~~Section 1113. Definitions.~~

7 ~~The following words and phrases when used in this part shall~~
8 ~~have the meanings given to them in this section unless the~~
9 ~~context clearly indicates otherwise:~~

10 ~~"Commission." The Pennsylvania Public Utility Commission.~~

11 ~~"Eligible applicant." A natural gas distribution company~~
12 ~~subject to the tax imposed under section 1101(b.2).~~

13 ~~"Fund." The Natural Gas Optimization Fund established under~~
14 ~~section 1111.~~

15 ~~"Program." The Natural Gas Optimization Program established~~
16 ~~under section 1114.~~

17 ~~Section 1114. Natural Gas Optimization Program.~~

18 ~~(a) Establishment and purpose. The Natural Gas Optimization~~
19 ~~Program is established and the program's purpose shall be to~~
20 ~~fund projects as permitted under this part.~~

21 ~~(b) Funding. Grants made under this section shall be made~~
22 ~~from the fund.~~

23 ~~(c) Grants.~~

24 ~~(1) Except as provided in paragraph (2), for fiscal~~
25 ~~years beginning 2017-2018, and each fiscal year thereafter,~~
26 ~~the total amount of grants approved under this section may~~
27 ~~not exceed \$20,000,000.~~

28 ~~(2) If the total amount of grants approved in a fiscal~~
29 ~~year is less than \$20,000,000, the unused portion may be~~
30 ~~carried over and approved in future fiscal years.~~

1 ~~(d) Powers of commission. The commission shall have the~~
2 ~~authority to administer the program.~~

3 ~~(e) Guidelines. Funds under this part shall be used in~~
4 ~~accordance with guidelines adopted by the commission.~~

5 ~~(f) Eligible projects. Money deposited into the fund under~~
6 ~~section 1112(a) may be utilized by the commission for~~
7 ~~competitive grants to eligible applicants for eligible projects~~
8 ~~as provided in this part. In order to be eligible to receive a~~
9 ~~grant, an eligible applicant must provide or demonstrate to the~~
10 ~~commission one or more of the following:~~

11 ~~(1) A plan to expand access to natural gas~~
12 ~~infrastructure.~~

13 ~~(2) A plan to expand access to natural gas in~~
14 ~~residential areas.~~

15 ~~(3) A plan to accelerate the rate of infrastructure~~
16 ~~placement and replacement necessary to advance the purposes~~
17 ~~of this part.~~

18 ~~(4) A plan to promote the use of natural gas in~~
19 ~~residential areas.~~

20 ~~(5) A plan to provide rebates or buy down expenditures~~
21 ~~in order to reduce upfront costs associated with connecting~~
22 ~~to a natural gas line, in house piping and natural gas~~
23 ~~equipment owned by new or existing customers, including high~~
24 ~~efficiency natural gas furnaces.~~

25 ~~(g) Application. An eligible applicant shall submit an~~
26 ~~application, including supporting information as required by the~~
27 ~~commission.~~

28 ~~(h) Project review. The commission shall review and prepare~~
29 ~~an assessment of each application and determine which projects~~
30 ~~will best utilize and promote the use of domestically produced~~

1 ~~natural gas in this Commonwealth. The commission's review and~~
2 ~~assessment shall consider the following:~~

3 ~~(1) The economic impact of the project included in the~~
4 ~~application.~~

5 ~~(2) The number of new end users that will gain access to~~
6 ~~natural gas as a result of the project.~~

7 ~~(3) The extent to which the project extends access to~~
8 ~~natural gas to serve an unserved or underserved area.~~

9 ~~(4) The extent to which the project will make the use of~~
10 ~~natural gas more efficient and affordable to customers.~~

11 ~~(5) The projected cost of the project.~~

12 ~~(6) The source and amount of any funds to be contributed~~
13 ~~by the eligible applicant.~~

14 ~~(7) Any other relevant factors as determined by the~~
15 ~~commission.~~

16 ~~(i) Notice of application deadlines. The commission shall~~
17 ~~establish and publish application deadlines in the Pennsylvania~~
18 ~~Bulletin and on its publicly accessible Internet website.~~

19 ~~(j) Approval schedule. The commission shall develop a~~
20 ~~schedule for the approval of applications under this section.~~

21 ~~(k) Reapplication. If an application is not approved under~~
22 ~~this section, the eligible applicant may revise and resubmit the~~
23 ~~application and plan for approval.~~

24 ~~(l) Administrative costs. No more than two percent of the~~
25 ~~money deposited into the fund annually may be used by the~~
26 ~~commission for administrative costs.~~

27 ~~(m) Program report. The commission shall provide a report~~
28 ~~to the chairperson and minority chairperson of the Consumer~~
29 ~~Protection and Professional Licensure Committee of the Senate~~
30 ~~and the chairperson and minority chairperson of the Consumer~~

1 ~~Affairs Committee of the House of Representatives by October 1,~~
2 ~~2018, and each October 1 thereafter. The report shall be~~
3 ~~maintained on the commission's publicly accessible Internet~~
4 ~~website and shall include:~~

5 ~~(1) A list of all grants approved during the previous~~
6 ~~fiscal year, including the amount of the grant and a~~
7 ~~description of each approved project.~~

8 ~~(2) The estimated natural gas optimization benefits to~~
9 ~~date for all projects receiving funding during the fiscal~~
10 ~~year and the methods used to determine estimated benefits.~~

11 ~~Section 6. The definition of "veterans' organization" in~~
12 ~~section 1101 C of the act, added July 13, 2016 (P.L.526, No.84),~~
13 ~~is amended to read:~~

14 ~~Section 1101 C. Definitions. The following words when used~~
15 ~~in this article shall have the meanings ascribed to them in this~~
16 ~~section:~~

17 ~~* * *~~

18 ~~"Veterans' service organization." A not for profit~~
19 ~~organization that [is recognized by the Internal Revenue Service~~
20 ~~as a tax exempt organization described under section 501(c)(19)~~
21 ~~of the Internal Revenue Code of 1986 (Public Law 99-514, 26~~
22 ~~U.S.C. § 501(c)(19)). For the purposes of this article, the term~~
23 ~~shall only include a not for profit organization for the period~~
24 ~~in which the organization has a valid tax exemption under~~
25 ~~section 501(c)(19) of the Internal Revenue Code of 1986, as~~
26 ~~determined by the Internal Revenue Service.] has been chartered~~
27 ~~by the Congress of the United States to service veterans or is a~~
28 ~~member of the Pennsylvania State Veterans' Commission under 51~~
29 ~~Pa.C.S. Ch. 17 (relating to State Veterans' Commission and~~
30 ~~Deputy Adjutant General for Veterans' Affairs).~~

1 * * *

2 ~~Section 7. Section 1102 C.2 of the act, amended July 13,~~
3 ~~2016 (P.L.526, No.84), is amended to read:~~

4 ~~Section 1102 C.2. Exempt Parties. The United States, the~~
5 ~~Commonwealth or any of their instrumentalities, agencies or~~
6 ~~political subdivisions, or veterans' service organizations shall~~
7 ~~be exempt from payment of the tax imposed by this article. The~~
8 ~~exemption under this section shall not, however, relieve any~~
9 ~~other party to a transaction from liability for the tax.~~

10 ~~Section 7.1. Section 1711 D of the act is amended by adding~~
11 ~~definitions to read:~~

12 ~~Section 1711 D. Definitions.~~

13 ~~The following words and phrases when used in this subarticle~~
14 ~~shall have the meanings given to them in this section unless the~~
15 ~~context clearly indicates otherwise:~~

16 ~~"Deteriorated property." Any blighted, impoverished area~~
17 ~~containing industrial, commercial or other real property that is~~
18 ~~abandoned, unsafe, vacant, undervalued, underutilized,~~
19 ~~overgrown, defective, condemned, demolished or which contains~~
20 ~~economically undesirable land use.~~

21 * * *

22 ~~"Film production tax credit district." A district authorized~~
23 ~~under section 1716.2 D.~~

24 * * *

25 ~~Section 7.2. Section 1712 D of the act is amended by adding~~
26 ~~a subsection to read:~~

27 ~~Section 1712 D. Credit for qualified film production expenses.~~

28 * * *

29 ~~(b.1) Review and approval of applications for film~~
30 ~~production tax credit district activity. For applications~~

~~1 involving film production expenses incurred within a designated
2 film production tax credit district authorized under section
3 1716.2 D, the department shall accept applications at any time.
4 Applications shall be reviewed by the department utilizing the
5 criteria required under subsection (b). Upon determining the
6 taxpayer has incurred or will incur qualified film production
7 expenses, the department shall approve the taxpayer for a tax
8 credit utilizing the tax credits authorized under 1716.2 D, not
9 to exceed the amount authorized for the fiscal year.~~

10 * * *

11 Section 7.3. ~~The act is amended by adding a section to read:
12 Section 1716.2 D. Film production tax credit districts.~~

13 ~~(a) Establishment. The department may designate not more
14 than two film production tax credit districts for the purpose of
15 enhancing, promoting and expanding film production opportunities
16 and establishing a film production industry within this
17 Commonwealth.~~

18 ~~(b) Criteria. A film production tax credit district shall:~~

19 ~~(1) Be at least 55 acres in size.~~

20 ~~(2) Be located on deteriorated property.~~

21 ~~(3) Be comprised of a parcel that is or will be occupied
22 by two or more qualified businesses that:~~

23 ~~(i) in the aggregate, make a capital investment of
24 at least \$400,000,000 within the district within five
25 years after the effective date of the designation of the
26 district; and~~

27 ~~(ii) are dedicated to film production activity,
28 postproduction activity or other activities that directly
29 or indirectly support film production activity occurring
30 within the district or within this Commonwealth.~~

1 ~~(4) Contain at least one qualified production facility~~
2 ~~and six soundstages.~~

3 ~~(c) Application. The following apply:~~

4 ~~(1) An application to designate a film production tax~~
5 ~~credit district may be made by the county or municipality in~~
6 ~~which all or part of the district will be located. The~~
7 ~~department shall review the application and, if approved,~~
8 ~~issue a designation for the film production tax credit~~
9 ~~district. The application period shall be set by the~~
10 ~~department.~~

11 ~~(2) The application shall contain the following~~
12 ~~information:~~

13 ~~(i) The geographic area of the proposed film~~
14 ~~production tax credit district.~~

15 ~~(ii) A detailed map of the proposed district,~~
16 ~~including geographic boundaries, total area and present~~
17 ~~use and conditions of the land and structures.~~

18 ~~(iii) A description of the current social, economic~~
19 ~~and demographic characteristics of the proposed district~~
20 ~~and anticipated improvements in education, health, human~~
21 ~~services, public safety and employment that will result~~
22 ~~from designation of the district.~~

23 ~~(iv) A description of anticipated film production~~
24 ~~activity and ancillary activities in the proposed~~
25 ~~district.~~

26 ~~(v) Evidence of potential private and public~~
27 ~~investment in the proposed district.~~

28 ~~(vi) The role of the proposed district in regional~~
29 ~~economic and community development.~~

30 ~~(d) Designation period. A district designated under~~

1 ~~subsection (c) shall expire 15 years after the effective date of~~
2 ~~the designation.~~

3 ~~(c) Construction. The tax credits authorized under this~~
4 ~~section are in addition to the tax credits under section 1716-~~
5 ~~D(a) and are available exclusively for activities occurring~~
6 ~~within the designated district.~~

7 ~~(f) Annual tax credits. The department may authorize a tax~~
8 ~~credit for a film production tax credit district in fiscal year~~
9 ~~2019-2020 and in each fiscal year thereafter.~~

10 Section 8. Article XVII D of the act is amended by adding a
11 subarticle to read:

12 ~~SUBARTICLE E~~

13 ~~ENTERTAINMENT ECONOMIC ENHANCEMENT PROGRAM~~

14 ~~Section 1771 D. Scope of subarticle.~~

15 ~~This subarticle relates to the Entertainment Economic~~
16 ~~Enhancement Program.~~

17 ~~Section 1772 D. Definitions.~~

18 ~~The following words and phrases when used in this subarticle~~
19 ~~shall have the meanings given to them in this section unless the~~
20 ~~context clearly indicates otherwise:~~

21 ~~"Class 1 venue." A stadium, arena, other structure or~~
22 ~~property owned by a municipality or an authority formed under~~
23 ~~Article XXV A of the act of July 28, 1953 (P.L.723, No.230),~~
24 ~~known as the Second Class County Code, at which concerts are~~
25 ~~performed and which is all of the following:~~

26 ~~(1) Located in a city of the first class or a county of~~
27 ~~the second class.~~

28 ~~(2) Constructed in a manner in which the venue has a~~
29 ~~seating capacity of at least 14,000.~~

30 ~~"Class 2 venue." A stadium, arena or other structure at~~

1 ~~which concerts are performed and which is all of the following:~~

2 ~~(1) Located outside the geographic boundaries of a city~~
3 ~~of the first class or a county of the second class.~~

4 ~~(2) Constructed in a manner in which the venue has a~~
5 ~~seating capacity of at least 6,000.~~

6 ~~"Class 3 venue." A stadium, arena or other structure which~~
7 ~~is any of the following:~~

8 ~~(1) Located within a neighborhood improvement zone, as~~
9 ~~defined in section 1902-B.~~

10 ~~(2) Owned by or affiliated with a State related~~
11 ~~institution as defined in 62 Pa.C.S. § 103 (relating to~~
12 ~~definitions).~~

13 ~~(3) Owned by the Commonwealth and affiliated with the~~
14 ~~State System of Higher Education.~~

15 ~~"Concert." A live performance of music in the presence of~~
16 ~~individuals who view the performance.~~

17 ~~"Concert tour equipment." Includes stage, set, scenery,~~
18 ~~design elements, automation, rigging, trusses, spotlights,~~
19 ~~lighting, sound equipment, video equipment, special effects,~~
20 ~~cases, communication devices, power distribution equipment,~~
21 ~~backline and other miscellaneous equipment or supplies used~~
22 ~~during a concert or rehearsal.~~

23 ~~"Department." The Department of Community and Economic~~
24 ~~Development of the Commonwealth.~~

25 ~~"Maintained a place of business" or "maintaining a place of~~
26 ~~business." All of the following:~~

27 ~~(1) Having, maintaining or using within this~~
28 ~~Commonwealth an office, warehouse or other place of business.~~

29 ~~(2) Regularly engaging in an activity as a business~~
30 ~~within this Commonwealth in connection with the lease, sale~~

~~or delivery of tangible personal property or the performance of a service for residents of this Commonwealth.~~

~~"Minimum rehearsal and tour requirements." During a tour, all of the following must occur:~~

~~(1) The purchase or rental of concert tour equipment delivered to a location in this Commonwealth, in an amount of at least \$3,000,000, from companies located and maintaining a place of business in this Commonwealth for use on the tour.~~

~~(2) A rehearsal at a qualified rehearsal facility for a minimum of 10 days.~~

~~(3) At least one concert performed at a class 1 venue.~~

~~(4) At least one concert performed at a venue which is located in a municipality other than the municipality in which the class 1 venue under paragraph (3) is located.~~

~~"Pass through entity." Any of the following:~~

~~(1) A partnership as defined in section 301(n.0).~~

~~(2) A Pennsylvania S corporation as defined in section 301(n.1).~~

~~(3) An unincorporated entity subject to section 307.21.~~

~~"Pennsylvania rehearsal and tour expenses." The sum of Pennsylvania rehearsal expenses and tour expenses. The term includes Pennsylvania rehearsal expenses and tour expenses paid prior to or during a rehearsal or tour.~~

~~"Pennsylvania rehearsal expense." A rehearsal expense which is incurred or will be incurred within this Commonwealth. The term includes:~~

~~(1) A payment which is made or will be made by a recipient to a person upon which withholding will be made on the payment by the recipient as required under Part VII of Article III or a payment which is made or will be made to a~~

1 ~~person who is required to make estimated payments under Part~~
2 ~~VIII of Article III.~~

3 ~~(2) A payment which is made or will be made to a~~
4 ~~personal service corporation representing individual talent~~
5 ~~if the tax imposed by Article IV will be paid or accrued on~~
6 ~~the net income of the corporation for the taxable year.~~

7 ~~(3) A payment which is made or will be made to a pass~~
8 ~~through entity representing individual talent for which~~
9 ~~withholding will be made by the pass through entity on the~~
10 ~~payment as required under Part VII or VII A of Article III.~~

11 ~~"Qualified rehearsal and tour expense." All Pennsylvania~~
12 ~~rehearsal and tour expenses if Pennsylvania rehearsal expenses~~
13 ~~comprise or will comprise at least 60% of the total rehearsal~~
14 ~~expenses. The term shall not include more than \$2,000,000 in the~~
15 ~~aggregate of compensation paid or to be paid to individuals or~~
16 ~~payment made or to be made to entities representing an~~
17 ~~individual for services provided in the tour.~~

18 ~~"Qualified rehearsal facility." A rehearsal facility which~~
19 ~~meets at least six of the following criteria:~~

20 ~~(1) Has had a minimum of \$8,000,000 invested in the~~
21 ~~rehearsal facility in land or structure, or a combination of~~
22 ~~land and structure.~~

23 ~~(2) Has a permanent grid system with a capacity of~~
24 ~~1,000,000 pounds.~~

25 ~~(3) Has a built in power supply system available at a~~
26 ~~minimum of 3,200 amps without the need for supplemental~~
27 ~~generators.~~

28 ~~(4) Has a height from floor to permanent grid of a~~
29 ~~minimum of 80 feet.~~

30 ~~(5) Has at least two sliding or roll up access doors~~

1 ~~with a minimum height of 14 feet.~~

2 ~~(6) Has a perimeter security system which includes 24-~~
3 ~~hour, seven days a week security cameras and the use of~~
4 ~~access control identification badges.~~

5 ~~(7) Has a service area with production offices, catering~~
6 ~~and dressing rooms with a minimum of 5,000 square feet.~~

7 ~~(8) Is located within one mile of a minimum of two~~
8 ~~companies which provide concert tour equipment for use on a~~
9 ~~tour.~~

10 ~~"Qualified tax liability." The liability for taxes imposed~~
11 ~~under Article III, IV, VI, VII or IX. The term does not include~~
12 ~~tax withheld by an employer from an employee under Article III.~~

13 ~~"Recipient." A taxpayer that has been awarded a tax credit~~
14 ~~under section 1773 D(e).~~

15 ~~"Rehearsal." An event or series of events which occur in~~
16 ~~preparation for a tour prior to the start of the tour or during~~
17 ~~a tour when additional preparation may be needed.~~

18 ~~"Rehearsal expense." All of the following when incurred or~~
19 ~~will be incurred during a rehearsal:~~

20 ~~(1) Compensation paid or to be paid to an individual~~
21 ~~employed in the rehearsal of the performance.~~

22 ~~(2) Payment to a personal service corporation~~
23 ~~representing individual talent.~~

24 ~~(3) Payment to a pass through entity representing~~
25 ~~individual talent.~~

26 ~~(4) The costs of construction, operations, editing,~~
27 ~~photography, staging, lighting, wardrobe and accessories.~~

28 ~~(5) The cost of leasing vehicles.~~

29 ~~(6) The cost of transportation of people or concert tour~~
30 ~~equipment to or from a train station, bus depot, airport or~~

~~1 other transportation facility or directly from a residence or
2 business entity.~~

~~3 (7) The cost of insurance coverage.~~

~~4 (8) The cost of food and lodging.~~

~~5 (9) The cost of purchase or rental of concert tour
6 equipment.~~

~~7 (10) The cost of renting a rehearsal facility.~~

~~8 (11) The cost of emergency or medical support services
9 required to conduct a rehearsal.~~

~~10 "Rehearsal facility." As follows:~~

~~11 (1) A facility primarily used for rehearsals which is
12 all of the following:~~

~~13 (i) Located within this Commonwealth.~~

~~14 (ii) Has a minimum of 25,000 square feet of column-
15 free, unobstructed floor space.~~

~~16 (2) The term does not include a facility at which
17 concerts are capable of being held.~~

~~18 "Start date." The date the first set of concert tour
19 equipment arrives or is expected to arrive at a qualified
20 rehearsal facility.~~

~~21 "Tax credit." The concert rehearsal and tour tax credit as
22 provided under this subarticle.~~

~~23 "Taxpayer." A concert tour promotion company, concert tour
24 management company or other concert management company subject
25 to tax under Article III, IV or VI. The term does not include
26 contractors or subcontractors of a concert tour promotion
27 company, concert tour management company or other concert
28 management company.~~

~~29 "Tour." A series of concerts performed or to be performed by
30 a musical performer in more than one location. The term includes~~

1 ~~at least one rehearsal.~~

2 ~~"Tour expense." As follows:~~

3 ~~(1) Costs incurred or which will be incurred during a~~
4 ~~tour for venues located in this Commonwealth. The term~~
5 ~~includes all of the following:~~

6 ~~(i) A payment which is made or will be made by a~~
7 ~~recipient to a person upon which withholding will be made~~
8 ~~on the payment by the recipient as required under Part~~
9 ~~VII of Article III or a payment which is made or will be~~
10 ~~made to a person who is required to make estimated~~
11 ~~payments under Part VIII of Article III.~~

12 ~~(ii) The cost of transportation of people or concert~~
13 ~~touring equipment which is incurred or will be incurred~~
14 ~~while transporting to or from a train station, bus depot,~~
15 ~~airport or other transportation facility or while~~
16 ~~transporting directly from a residence or business entity~~
17 ~~located in this Commonwealth, or which is incurred or~~
18 ~~will be incurred for transportation provided by a company~~
19 ~~which is subject to the tax imposed under Article III or~~
20 ~~IV.~~

21 ~~(iii) The cost of leasing vehicles upon which the~~
22 ~~tax imposed by Article II will be paid or accrued.~~

23 ~~(iv) The cost of insurance coverage which is~~
24 ~~purchased or will be purchased through an insurance agent~~
25 ~~based in this Commonwealth.~~

26 ~~(v) The cost of purchasing or renting facilities and~~
27 ~~equipment from or through a resident of this Commonwealth~~
28 ~~or an entity subject to taxation in this Commonwealth.~~

29 ~~(vi) The cost of food and lodging which is incurred~~
30 ~~or will be incurred from a facility located in this~~

1 Commonwealth.

2 ~~(vii) Expenses which are incurred or will be~~
3 ~~incurred in marketing or advertising a tour at venues~~
4 ~~located within this Commonwealth.~~

5 ~~(viii) The cost of merchandise which is purchased or~~
6 ~~will be purchased from a company located within this~~
7 ~~Commonwealth and used on the tour.~~

8 ~~(ix) A payment which is made or will be made to a~~
9 ~~personal service corporation representing individual~~
10 ~~talent if the tax imposed by Article IV will be paid or~~
11 ~~accrued on the net income of the corporation for the~~
12 ~~taxable year.~~

13 ~~(x) A payment which is made or will be made to a~~
14 ~~pass through entity representing individual talent for~~
15 ~~which withholding will be made by the pass through entity~~
16 ~~on the payment as required under Part VII or VII A of~~
17 ~~Article III.~~

18 ~~(2) The term does not include development cost,~~
19 ~~including the writing of music or lyrics.~~

20 ~~"Venue." A class 1, class 2 or class 3 venue.~~

21 Section 1773-D. Procedure.

22 ~~(a) Application. A taxpayer may apply to the department for~~
23 ~~a tax credit under this section. The application shall be on the~~
24 ~~form required by the department.~~

25 ~~(b) Review and approval.~~

26 ~~(1) The department shall establish application periods~~
27 ~~not to exceed 30 days. All applications received during an~~
28 ~~application period shall be reviewed and evaluated by the~~
29 ~~department based on the following criteria:~~

30 ~~(i) The anticipated number of rehearsal days in a~~

1 ~~qualified rehearsal facility.~~

2 ~~(ii) The anticipated number of concerts at class 1~~
3 ~~venues.~~

4 ~~(iii) The anticipated number of concerts at class 2~~
5 ~~venues.~~

6 ~~(iv) The anticipated number of concerts at class 3~~
7 ~~venues.~~

8 ~~(v) The anticipated amount of Pennsylvania rehearsal~~
9 ~~expenses in comparison to the anticipated aggregate~~
10 ~~amount of rehearsal expenses.~~

11 ~~(vi) The anticipated amount of the tour expenses.~~

12 ~~(vii) The anticipated amount of the concert tour~~
13 ~~equipment expenses which are or will be purchased or~~
14 ~~rented from a company located and maintaining a place of~~
15 ~~business in this Commonwealth and which will be used on~~
16 ~~the tour.~~

17 ~~(viii) The anticipated number of days spent in~~
18 ~~Commonwealth hotels.~~

19 ~~(ix) Other criteria that the department deems~~
20 ~~appropriate to ensure maximum employment opportunities~~
21 ~~and entertainment benefits for the residents of this~~
22 ~~Commonwealth.~~

23 ~~(2) Except as provided in subsection (c) and upon~~
24 ~~determining that the taxpayer has paid the applicable~~
25 ~~application fee not to exceed \$300, has met or will meet the~~
26 ~~minimum rehearsal and tour requirements and has incurred or~~
27 ~~will incur qualified rehearsal and tour expenses, the~~
28 ~~department may approve the taxpayer for a tax credit.~~

29 ~~Applications not approved may be reviewed and considered in~~
30 ~~subsequent application periods. The department may approve a~~

1 ~~taxpayer for a tax credit based on its evaluation of the~~
2 ~~criteria under this subsection.~~

3 ~~(c) Restriction. The department may only consider~~
4 ~~rehearsals held or to be held, and qualified rehearsal and tour~~
5 ~~expenses incurred or to be incurred, after January 1, 2017, in~~
6 ~~determining whether a taxpayer has met or will meet the minimum~~
7 ~~rehearsal and tour requirements.~~

8 ~~(d) Contract. If the department approves the taxpayer's~~
9 ~~application under subsection (b), the department and the~~
10 ~~taxpayer shall enter into a contract containing the following:~~

11 ~~(1) An itemized list of rehearsal expenses incurred or~~
12 ~~to be incurred for the tour.~~

13 ~~(2) An itemized list of Pennsylvania rehearsal expenses~~
14 ~~incurred or to be incurred for the tour.~~

15 ~~(3) With respect to a contract entered into prior to~~
16 ~~completion of a tour, a commitment by the taxpayer to incur~~
17 ~~the Pennsylvania rehearsal expenses as itemized.~~

18 ~~(4) An itemized list of the qualified rehearsal and tour~~
19 ~~expenses incurred or to be incurred for the tour.~~

20 ~~(5) With respect to a contract entered into prior to~~
21 ~~completion of a tour, a commitment by the taxpayer to incur~~
22 ~~the qualified rehearsal and tour expenses as itemized.~~

23 ~~(6) With respect to a contract entered into prior to~~
24 ~~completion of a tour, a commitment by the taxpayer to hold at~~
25 ~~least one concert at a class 1 venue.~~

26 ~~(7) With respect to a contract entered into prior to~~
27 ~~completion of a tour, a commitment by the taxpayer to hold at~~
28 ~~least one concert at a venue located in a municipality other~~
29 ~~than the municipality in which the class 1 venue under~~
30 ~~paragraph (6) is located.~~

1 ~~(8) The start date or the expected start date.~~

2 ~~(9) Any other information the department deems~~
3 ~~appropriate.~~

4 ~~(e) Certificate. Upon execution of the contract required by~~
5 ~~subsection (d), the department shall award the taxpayer a~~
6 ~~concert rehearsal and tour tax credit and issue the recipient a~~
7 ~~tax credit certificate.~~

8 ~~Section 1774 D. Claim.~~

9 ~~Beginning July 1, 2017, a recipient may claim a concert~~
10 ~~rehearsal and tour tax credit against the qualified tax~~
11 ~~liability of the recipient.~~

12 ~~Section 1775 D. Carryover, carryback and assignment of tax~~
13 ~~credit.~~

14 ~~(a) General rule. If a recipient cannot use the entire~~
15 ~~amount of a tax credit for the taxable year in which the tax~~
16 ~~credit is first approved, the excess may be carried over to~~
17 ~~succeeding taxable years and used as a tax credit against the~~
18 ~~qualified tax liability of the recipient for those taxable~~
19 ~~years. Each time the tax credit is carried over to a succeeding~~
20 ~~taxable year, the tax credit shall be reduced by the amount that~~
21 ~~was used as a credit during the immediately preceding taxable~~
22 ~~year. The tax credit may be carried over and applied to~~
23 ~~succeeding taxable years for no more than three taxable years~~
24 ~~following the first taxable year for which the recipient was~~
25 ~~entitled to claim the tax credit.~~

26 ~~(b) Application. A tax credit approved by the department in~~
27 ~~a taxable year first shall be applied against the recipient's~~
28 ~~qualified tax liability for the current taxable year as of the~~
29 ~~date on which the tax credit was approved before the tax credit~~
30 ~~can be applied against tax liability under subsection (a).~~

1 ~~(c) No carryback or refund. A recipient shall not be~~
2 ~~entitled to carry back or obtain a refund of any portion of an~~
3 ~~unused tax credit granted to the recipient under this~~
4 ~~subarticle.~~

5 ~~(d) Sale or assignment. The following shall apply:~~

6 ~~(1) A recipient, upon application to and approval by the~~
7 ~~department, may sell or assign, in whole or in part, a tax~~
8 ~~credit granted to the recipient under this subarticle.~~

9 ~~(2) The department and the Department of Revenue shall~~
10 ~~jointly promulgate regulations for the approval of~~
11 ~~applications under this subsection.~~

12 ~~(3) Before an application is approved, the Department of~~
13 ~~Revenue must make a finding that the recipient has filed all~~
14 ~~required State tax reports and returns for all applicable~~
15 ~~taxable years and paid any balance of State tax due as~~
16 ~~determined at settlement, assessment or determination by the~~
17 ~~Department of Revenue.~~

18 ~~(4) Notwithstanding any other provision of law, the~~
19 ~~Department of Revenue shall settle, assess or determine the~~
20 ~~tax of a taxpayer under this subsection within 60 days of the~~
21 ~~filing of all required final returns or reports in accordance~~
22 ~~with section 806.1(a) (5) of the act of April 9, 1929~~
23 ~~(P.L.343, No.176), known as The Fiscal Code.~~

24 ~~(e) Purchasers and assignees. The following apply:~~

25 ~~(1) The purchaser or assignee of all or a portion of a~~
26 ~~tax credit under subsection (d) shall immediately claim the~~
27 ~~tax credit in the taxable year in which the purchase or~~
28 ~~assignment is made.~~

29 ~~(2) The amount of the tax credit that a purchaser or~~
30 ~~assignee may use against one qualified tax liability may not~~

1 ~~exceed 50% of the qualified tax liability for the taxable~~
2 ~~year.~~

3 ~~(3) The purchaser or assignee may not carry forward,~~
4 ~~carry back or obtain a refund of or sell or assign the tax~~
5 ~~credit.~~

6 ~~(4) The purchaser or assignee shall notify the~~
7 ~~Department of Revenue of the seller or assignor of the tax~~
8 ~~credit in compliance with procedures specified by the~~
9 ~~Department of Revenue.~~

10 ~~Section 1776 D. Determination of Pennsylvania rehearsal and~~
11 ~~tour expenses.~~

12 ~~When prescribing standards for determining which rehearsal or~~
13 ~~tour expenses are considered Pennsylvania rehearsal and tour~~
14 ~~expenses for purposes of computing the tax credit provided by~~
15 ~~this subarticle, the department shall consider:~~

16 ~~(1) The location where services are performed.~~

17 ~~(2) The location where concert tour equipment is~~
18 ~~purchased, rented, delivered and used.~~

19 ~~(3) The location where rehearsals or concerts are held.~~

20 ~~(4) Other factors the department determines are~~
21 ~~relevant.~~

22 ~~Section 1777 D. Limitations.~~

23 ~~(a) Cap. Except as provided in this subsection, the~~
24 ~~department may not award tax credits for qualified rehearsal and~~
25 ~~tour expenses incurred or to be incurred related to more than~~
26 ~~five tours in a fiscal year. In a fiscal year, the department~~
27 ~~may, in the department's discretion, advance the award of tax~~
28 ~~credits for qualified rehearsal and tour expenses incurred or to~~
29 ~~be incurred related to a maximum of two additional tours.~~

30 ~~(b) Advance award of credits. The advance award of tax~~

1 ~~credits under subsection (a) shall:~~

2 ~~(1) count against the total number of tours that the~~
3 ~~department may award tax credits for qualified rehearsal and~~
4 ~~tour expenses incurred or to be incurred related to a tour in~~
5 ~~that next succeeding fiscal year; and~~

6 ~~(2) reduce the number of tours that the department may~~
7 ~~award tax credits for qualified rehearsal and tour expenses~~
8 ~~incurred or to be incurred related to a tour in that next~~
9 ~~succeeding fiscal year.~~

10 ~~(c) Individual limitations. The following shall apply:~~

11 ~~(1) A taxpayer may not be awarded more than \$800,000 of~~
12 ~~tax credits for a tour.~~

13 ~~(2) Except as provided under paragraph (5), the~~
14 ~~aggregate amount of tax credits awarded by the department~~
15 ~~under section 1773 D(e) to a taxpayer for a tour with~~
16 ~~concerts at two class 1 venues or a class 1 venue and a class~~
17 ~~2 venue may not exceed 25% of the qualified rehearsal and~~
18 ~~tour expenses incurred or to be incurred.~~

19 ~~(3) Except as provided under paragraph (5), the~~
20 ~~aggregate amount of tax credits awarded by the department~~
21 ~~under section 1773 D(e) to a taxpayer for a tour with~~
22 ~~concerts at a class 1 venue and a class 3 venue may not~~
23 ~~exceed 30% of the qualified rehearsal and tour expenses~~
24 ~~incurred or to be incurred.~~

25 ~~(4) Except as provided under paragraph (5), the~~
26 ~~aggregate amount of tax credits awarded by the department~~
27 ~~under section 1773 D(e) to a taxpayer for a tour with~~
28 ~~concerts at a class 1 venue and a class 3 venue which does~~
29 ~~not serve alcohol may not exceed 35% of the qualified~~
30 ~~rehearsal and tour expenses incurred or to be incurred.~~

~~(5) In addition to the tax credits under paragraph (2), (3) or (4), a taxpayer is eligible for a tax credit in the amount of 5% of the qualified rehearsal and tour expenses incurred or to be incurred by the taxpayer if the taxpayer holds concerts at a total of two or more class 2 venues or class 3 venues.~~

~~(d) Qualified rehearsal facility. To be considered a qualified rehearsal facility under this subarticle, the owner of a rehearsal facility shall provide evidence to the department to verify the development or facility specifications and capital improvement costs incurred for the rehearsal facility so that the threshold amounts set in the definition of "qualified rehearsal facility" under section 1772-D are satisfied, and, upon verification, the rehearsal facility shall be registered by the department officially as a qualified rehearsal facility.~~

~~(e) Waiver. The department may make a determination that the financial benefit to this Commonwealth resulting from the direct investment in or payments made to Pennsylvania rehearsal and concert facilities outweighs the benefit of maintaining the 60% Pennsylvania rehearsal expenses requirement contained in the definition of "qualified rehearsal and tour expense" under section 1772-D. If the determination is made, the department may waive the requirement that 60% of a tour's aggregate rehearsal expenses be comprised of Pennsylvania rehearsal expenses.~~

~~Section 1778-D. Penalty.~~

~~A recipient which claims a tax credit and fails to incur the amount of qualified rehearsal and tour expenses agreed to under section 1773-D(d)(4) for a tour in that taxable year shall repay to the Commonwealth an amount equal to 110% of the difference between the amount agreed to under section 1773-D(d)(4) and the~~

~~1 amount of qualified rehearsal and tour expenses actually
2 incurred by the recipient. The penalty shall be assessed and
3 collected under Article II.~~

~~4 Section 1779 D. Pass through entity.~~

~~5 (a) General rule. If a pass through entity has any unused
6 tax credits under section 1775 D, the pass through entity may
7 elect in writing, according to procedures established by the
8 Department of Revenue, to transfer all or a portion of the tax
9 credits to shareholders, members or partners in proportion to
10 the share of the entity's distributive income to which each
11 shareholder, member or partner is entitled.~~

~~12 (b) Limitation. A pass through entity and a shareholder,
13 member or partner of a pass through entity may not claim the tax
14 credit under subsection (a) for the same qualified rehearsal and
15 tour expense.~~

~~16 (c) Application. A shareholder, member or partner of a
17 pass through entity to whom a tax credit is transferred under
18 subsection (a) shall immediately claim the tax credit in the
19 taxable year in which the transfer is made. The shareholder,
20 member or partner may not carry forward, carry back, obtain a
21 refund of or sell or assign the tax credit.~~

~~22 Section 1780 D. Department guidelines and regulations.~~

~~23 The department shall develop written guidelines for the
24 implementation of this subarticle. The guidelines shall be in
25 effect until the department promulgates regulations for the
26 implementation of this subarticle.~~

~~27 Section 1781 D. Report to General Assembly.~~

~~28 No later than June 1, 2018, and September 1 of each year
29 thereafter, the Secretary of Community and Economic Development
30 shall submit a report to the General Assembly summarizing the~~

1 ~~effectiveness of the tax credits provided by this subarticle.~~
2 ~~The report shall include the name of the tours which rehearsed~~
3 ~~in this Commonwealth, the names of all recipients awarded a tax~~
4 ~~credit as of the date of the report and the amount of tax~~
5 ~~credits approved for each recipient. The report may also include~~
6 ~~recommendations for changes in the calculation or administration~~
7 ~~of the tax credits provided under this subarticle. The report~~
8 ~~shall be submitted to the chairperson and minority chairperson~~
9 ~~of the Appropriations Committee of the Senate, the chairperson~~
10 ~~and minority chairperson of the Finance Committee of the Senate,~~
11 ~~the chairperson and minority chairperson of the Appropriations~~
12 ~~Committee of the House of Representatives and the chairperson~~
13 ~~and minority chairperson of the Finance Committee of the House~~
14 ~~of Representatives. The report shall include the following~~
15 ~~information, which shall be separated by geographic location~~
16 ~~within this Commonwealth:~~

17 ~~(1) The amount of tax credits claimed during the fiscal~~
18 ~~year by tour.~~

19 ~~(2) The total amount spent in this Commonwealth during~~
20 ~~the fiscal year by tours and concert tour promotion companies~~
21 ~~for services and supplies.~~

22 ~~(3) The total amount of tax revenues, both directly and~~
23 ~~indirectly, generated for the Commonwealth during the fiscal~~
24 ~~year by the concert rehearsal and tour industry.~~

25 ~~Section 9. Sections 1813 C and 1814 C of the act, amended~~
26 ~~July 13, 2016 (P.L.526, No.84), are amended to read:~~

27 ~~Section 1813 C. Restrictions.~~

28 ~~(a) Utilization. Money transferred under section 1812 C may~~
29 ~~only be utilized for the following:~~

30 ~~(1) Payment of debt service on bonds issued or~~

1 ~~refinanced for the acquisition, development, construction,~~
2 ~~including related infrastructure and site preparation,~~
3 ~~reconstruction, renovation or refinancing of a facility in~~
4 ~~the zone and normal and customary fees for professional~~
5 ~~services associated with the issuance or refinance of the~~
6 ~~bonds.~~

7 ~~(2) Acquisition, development, construction, including~~
8 ~~related infrastructure and site preparation, reconstruction,~~
9 ~~renovation or refinancing of all or a part of a facility.~~

10 ~~(3) Replenishment of amounts in debt service reserve~~
11 ~~funds established to pay debt service on bonds.~~

12 ~~(4) Employment of an independent auditing firm to~~
13 ~~perform the duties under section 1807 C(c).~~

14 ~~(5) Improvement or development of all or part of a zone.~~

15 ~~(6) Improvement projects, including fixtures and~~
16 ~~equipment for a facility owned, in whole or in part, by a~~
17 ~~public authority.~~

18 ~~(7) Payment or reimbursement of reasonable~~
19 ~~administrative, auditing and compliance services required by~~
20 ~~this article. Reasonable administrative costs may not exceed~~
21 ~~5% of the money transferred under section 1812 C. For~~
22 ~~purposes of this paragraph, professional services shall not~~
23 ~~be considered administrative costs.~~

24 ~~(b) Prohibition. Money transferred under section 1812 C may~~
25 ~~not be utilized for maintenance or repair of a facility.~~

26 ~~(c) Excess money.~~

27 ~~(1) [If] Except as set forth in paragraph (4), if the~~
28 ~~amount of money transferred to the fund under sections 1811~~
29 ~~C(c) and 1812 C in any one calendar year exceeds the money~~
30 ~~utilized under this section in that calendar year, the~~

1 ~~contracting authority shall submit by April 15 following the~~
2 ~~end of the calendar year the excess money to the State~~
3 ~~Treasurer for deposit into the General Fund.~~

4 ~~(2) At the time of submission to the State Treasurer,~~
5 ~~the contracting authority shall submit to the State~~
6 ~~Treasurer, the office and the department a detailed~~
7 ~~accounting of the calculation resulting in the excess money.~~

8 ~~(3) The excess money shall be credited to the~~
9 ~~contracting authority and applied to the amount required to~~
10 ~~be repaid under section 1812 C(c) (5) until there is full~~
11 ~~repayment.~~

12 ~~(4) Paragraph (1) does not apply to money utilized in a~~
13 ~~pilot zone.~~

14 ~~(d) Matching funds.~~

15 ~~(1) The amount of money transferred from the fund~~
16 ~~utilized for the acquisition, development, construction,~~
17 ~~including related site preparation and infrastructure,~~
18 ~~reconstruction or renovation of facilities, or normal and~~
19 ~~customary fees for professional services shall be matched by~~
20 ~~private, Federal or local money at a ratio of five fund~~
21 ~~dollars to one private, Federal or local dollar. The~~
22 ~~contracting authority shall verify the private, Federal or~~
23 ~~local match for a project at the time of the bond and report~~
24 ~~proof of the match to the agencies. All of the following~~
25 ~~shall be deemed private money:~~

26 ~~(i) Equity.~~

27 ~~(ii) Private developer debt and financing.~~

28 ~~(iii) Soft costs associated with land development.~~

29 ~~(iv) Costs of professional services associated with~~
30 ~~development.~~

1 ~~(v) Costs associated with improvements of the~~
2 ~~parcel.~~

3 ~~(vi) Costs of land acquisition and real estate~~
4 ~~transactions.~~

5 ~~(1.1) Private, Federal or local dollars invested in any~~
6 ~~single year or multiple years may be amortized over the term~~
7 ~~of the private or public financing provided to the project in~~
8 ~~order to meet the matching fund ratio of five fund dollars to~~
9 ~~one private, Federal or local dollar invested in the project.~~

10 ~~(2) By April 1 following the baseline year and for each~~
11 ~~year thereafter, the contracting authority shall file an~~
12 ~~annual report with the Department of Community and Economic~~
13 ~~Development, the office and the department that contains a~~
14 ~~detailed account of the fund money expenditures and the~~
15 ~~private, Federal or local money expenditures and a~~
16 ~~calculation of the ratio in paragraph (1) for the prior~~
17 ~~calendar year.~~

18 ~~(3) If it is determined that insufficient private,~~
19 ~~Federal or local money was utilized under paragraph (1), the~~
20 ~~amount of fund money utilized under paragraph (1) in the~~
21 ~~prior calendar year shall be deducted from the next transfer~~
22 ~~of the fund.~~

23 ~~Section 1814 C. Transfer of property.~~

24 ~~(a) Property. Parcels in a zone where a facility has not~~
25 ~~been constructed, reconstructed or renovated using money under~~
26 ~~this article may be transferred out of the zone, if the~~
27 ~~contracting authority provides a notarized certification,~~
28 ~~confirmed in the annual audit required under section 1807 C(c),~~
29 ~~that no fund dollars were used on the property. Additional~~
30 ~~acreage, not to exceed the acreage transferred out of the zone,~~

1 ~~may be [simultaneously] added to the zone.~~

2 ~~(a.1) Public meeting. Prior to requesting approval, the~~
3 ~~contracting authority shall hold a public meeting to consider~~
4 ~~the proposed transfer. At the meeting, any interested party may~~
5 ~~attend and offer comment on the proposal change.~~

6 ~~(a.2) Infeasibility.~~

7 ~~(1) If no activity in furtherance of development has~~
8 ~~taken place on the parcel within eight years of the enactment~~
9 ~~of this section or designation of the zone, whichever occurs~~
10 ~~later, the contracting authority may conduct a public hearing~~
11 ~~on the feasibility of the parcel to continue with the~~
12 ~~designation pursuant to a request from the city or~~
13 ~~municipality where the parcel sits. The hearing shall be held~~
14 ~~and notice provided to the owner of the parcel in accordance~~
15 ~~with section 908 of the act of July 31, 1968 (P.L.805,~~
16 ~~No.247), known as the Pennsylvania Municipalities Planning~~
17 ~~Code. For purposes of this section, activity shall include,~~
18 ~~but not be limited to, construction, building, renovation,~~
19 ~~reconstruction, site preparation and site development.~~

20 ~~(2) If the contracting authority determines that the~~
21 ~~project is no longer feasible, the contracting authority~~
22 ~~shall issue a written opinion within 45 days of the hearing~~
23 ~~setting forth the reasons supporting the determination and~~
24 ~~verifying that no activity has taken place. The decision may~~
25 ~~be appealed in accordance with section 1001-A of the~~
26 ~~Pennsylvania Municipalities Planning Code.~~

27 ~~(b) Approval. A transfer under subsections (a) and (a.2)~~
28 ~~must be approved by the Department of Community and Economic~~
29 ~~Development in consultation with the office and the department.~~

30 ~~Section 10. The definition of "contracting authority" in~~

1 ~~section 1902 B of the act is amended to read:~~

2 ~~Section 1902 B. Definitions.~~

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

6 ~~* * *~~

7 ~~"Contracting authority." An authority created under 53~~
8 ~~Pa.C.S. Ch. 56 (relating to municipal authorities) for the~~
9 ~~purpose of designating a neighborhood improvement zone and~~
10 ~~constructing a facility or other authority created under the~~
11 ~~laws of this Commonwealth which is eligible to apply for and~~
12 ~~receive redevelopment assistance capital grants under Chapter 3~~
13 ~~of the act of February 9, 1999 (P.L.1, No.1), known as the~~
14 ~~Capital Facilities Debt Enabling Act. Notwithstanding the~~
15 ~~provisions of 53 Pa.C.S. § 5610 (relating to governing body) and~~
16 ~~any other law, the appointment of any member of the board of the~~
17 ~~contracting authority for the term of a board member which~~
18 ~~begins after July 1, 2017, shall be made as follows:~~

19 ~~(1) three members appointed by the President Pro Tempore~~
20 ~~of the Senate;~~

21 ~~(2) three members appointed by the Leader of the caucus~~
22 ~~of the member of the House of Representatives whose district~~
23 ~~includes the majority of the zone; and~~

24 ~~(3) three members appointed by the mayor of the city in~~
25 ~~which the zone is located in accordance with 53 Pa.C.S. Ch.~~
26 ~~56.~~

27 ~~* * *~~

28 ~~Section 11. The act is amended by adding a section to read:~~
29 ~~Section 1904.3 B. Transfer of property.~~

30 ~~(a) Transfer of Parcels. Parcels in a zone may be~~

1 ~~transferred out of the zone and replaced with parcels not to~~
2 ~~exceed the acreage transferred out of the zone by the~~
3 ~~contracting authority, if:~~

4 ~~(1) The department certifies that there is currently no~~
5 ~~activity in the parcels transferred in the zone that~~
6 ~~generates tax receipts or other revenue to the Commonwealth.~~

7 ~~(2) The municipality where the zone is located certifies~~
8 ~~that there is currently no activity in the parcels~~
9 ~~transferred into the zone that generates tax receipts or~~
10 ~~other revenue, other than taxes on real property, to the~~
11 ~~municipality and the school district and county where the~~
12 ~~zone is located.~~

13 ~~(b) Public Hearing. The following apply:~~

14 ~~(1) For a parcel identified by the contracting authority~~
15 ~~to be transferred out of the zone, the contracting authority~~
16 ~~may conduct a public hearing pursuant to a request from an~~
17 ~~owner of real estate located within the parcel or the city or~~
18 ~~municipality where the parcel sits. The hearing shall be held~~
19 ~~and notice of the hearing provided to the owner of the parcel~~
20 ~~in accordance with section 908 of the act of July 31, 1968~~
21 ~~(P.L.805, No.247), known as the Pennsylvania Municipalities~~
22 ~~Planning Code.~~

23 ~~(2) If the contracting authority determines that it will~~
24 ~~transfer a parcel out of the zone, the contracting authority~~
25 ~~shall issue a written opinion within 45 days of the hearing~~
26 ~~setting forth the reasons supporting the determination.~~

27 ~~Section 11.1. Section 1911 D(c) of the act, added July 13,~~
28 ~~2016 (P.L.526, No.84), is amended to read:~~

29 ~~Section 1911 D. Additional keystone opportunity zones.~~

30 ~~* * *~~

1 ~~(c) Application. In order to receive a designation under~~
2 ~~this section, the department must receive an application from a~~
3 ~~political subdivision or its designee no later than October 1,~~
4 ~~[2016] 2018. The application must contain the information~~
5 ~~required under section 302(a) (1), (2) (i) and (ix), (5) and (6)~~
6 ~~of the KOZ Act. The department, in consultation with the~~
7 ~~Department of Revenue, shall review the application and, if~~
8 ~~approved, issue a certification of all tax exemptions,~~
9 ~~deductions, abatements or credits under this act for the zone~~
10 ~~within three months of receipt of the application. The~~
11 ~~department shall act on an application for a designation under~~
12 ~~section 302(a) (1) of the KOZ Act by December 31, [2016] 2018.~~
13 ~~The department may make designations under this section on a~~
14 ~~rolling basis during the application period.~~

15 ~~* * *~~

16 ~~Section 11.2. Section 2166 of the act is amended to read:~~

17 ~~Section 2166. Timely Mailing Treated as Timely Filing and~~
18 ~~Payment. Notwithstanding the provisions of any State tax law to~~
19 ~~the contrary, whenever a report or payment of all or any portion~~
20 ~~of a State tax is required by law to be received by the~~
21 ~~department or other agency of the Commonwealth on or before a~~
22 ~~day certain, the taxpayer shall be deemed to have complied with~~
23 ~~the law if the letter transmitting the report or payment of the~~
24 ~~tax which has been received by the department is postmarked by~~
25 ~~the United States Postal Service on or prior to the final day on~~
26 ~~which the payment is to be received. For the purposes of this~~
27 ~~article, presentation of a receipt indicating that the report or~~
28 ~~payment was mailed by registered or certified mail on or before~~
29 ~~the due date shall be evidence of timely filing and payment. Any~~
30 ~~inheritance tax return filed after July 1, 2013, under section~~

~~2136 that reports transfers of property that are exempt from the inheritance tax under section 2111(s), (s.1) and (t) shall be considered timely filed if filed within one year of the tax return due date, including an extended due date.~~

~~Section 12. The act is amended by adding an article to read:~~

~~ARTICLE XXII~~

~~ELECTRIC GRID VIRTUAL FINANCIAL TRANSACTIONS TAX~~

~~Section 2201. Definitions.~~

~~The following words and phrases when used in this article shall have the meanings given to them in this section unless the context clearly indicates otherwise:~~

~~"Decrement transaction." A virtual transaction that is a cleared hourly bid, expressed in megawatt hours, to purchase energy at a specified location in the Day Ahead Energy Market if the day ahead locational marginal price is less than or equal to the specified bid price.~~

~~"Electric grid virtual financial transaction." An increment transaction, decrement transaction or an up to congestion transaction.~~

~~"Increment transaction." A virtual transaction that is a cleared hourly offer, expressed in megawatt hours, to sell energy at a specified location in the Day Ahead Energy Market if the day ahead locational marginal price is greater than or equal to the specified offer price.~~

~~"Regional transmission organization." An entity, located in this Commonwealth, designated by the Federal Energy Regulatory Commission to operate a multistate electric grid, or its affiliates.~~

~~"Up to congestion transaction." A virtual transaction that is a cleared bid in the Day Ahead Energy Market based on the~~

~~1 difference in the locational marginal prices between two points.
2 The cleared up to congestion bid consists of a specified source
3 and sink path, megawatt hour quantity and a bid spread that
4 identifies the amount that the market participant is willing to
5 pay for a congestion and loss position between the source and
6 the sink.~~

~~7 Section 2202. Imposition.~~

~~8 There is imposed a tax at the rate of five percent on the
9 gross transaction amount without deduction of electric grid
10 virtual financial transactions in the electricity markets
11 administered by the regional transmission organization. The tax
12 shall be imposed on and owed by the entity initiating the
13 electric grid virtual financial transaction in the electricity
14 markets administered by the regional transmission organization.
15 The tax shall be assessed on the entities initiating electric
16 grid virtual financial transactions and collected at the time of
17 settlement of the electric grid virtual transactions.~~

~~18 Section 2203. Remittance.~~

~~19 (a) Time. The tax imposed under section 2202 shall be:~~

~~20 (1) due on the 20th day of each month for gross
21 transaction amounts without deduction attributable to
22 electric grid virtual transactions occurring in the prior
23 calendar month; and~~

~~24 (2) remitted to the Department of Revenue by the
25 regional transmission organization that administers the
26 electricity markets in which the electric grid virtual
27 financial transaction was initiated.~~

~~28 (b) Report. The tax shall be reported in the form or manner
29 required by the Department of Revenue.~~

~~30 Section 2204. Procedure and enforcement.~~

1 ~~Chapters IV, V, VI, VII and VIII of Part VI of Article II are~~
2 ~~incorporated by reference into this article in so far as they~~
3 ~~are consistent with this article and applicable to the tax~~
4 ~~imposed under this article.~~

5 Section 13. ~~Section 2301(e) of the act is amended and the~~
6 ~~section is amended by adding a subsection to read:~~

7 Section 2301. ~~Public Transportation Assistance Fund. * * *~~

8 ~~(e) [There] Except as provided in subsection (e.1), there is~~
9 ~~hereby imposed on each rental of a motor vehicle subject to tax~~
10 ~~under Article II a fee of two dollars (\$2) for each day or part~~
11 ~~of a day for which the vehicle is rented.~~

12 ~~(e.1) (1) There is hereby imposed on each rental of a motor~~
13 ~~vehicle subject to tax under Article II and used in carsharing a~~
14 ~~fee for each day or part of a day computed according to the~~
15 ~~following schedule:~~

<u>Rental Interval</u>	<u>Fee</u>
<u>Less than 2 hours</u>	<u>\$.25</u>
<u>2 to 3 hours</u>	<u>\$.50</u>
<u>More than 3, but less</u>	
<u>than 4 hours</u>	<u>\$1.25</u>
<u>4 hours or more</u>	<u>\$2.00</u>

22 ~~(2) For purposes of this subsection, the term "carsharing"~~
23 ~~shall mean a membership based service that provides an~~
24 ~~alternative to personal car ownership and which meets the~~
25 ~~following conditions:~~

26 ~~(i) Does not require a trip specific written agreement each~~
27 ~~time a member rents a vehicle.~~

28 ~~(ii) Does not require an attendant to be present at the~~
29 ~~beginning or end of a rental.~~

30 ~~(iii) Offers members access to a dispersed network of shared~~

1 ~~vehicles 24 hours per day, 7 days per week, 365 days per year.~~

2 ~~(iv) Allows a vehicle to be rented on a per minute, per~~
3 ~~hour, per day, or per trip basis, and at per mile or per~~
4 ~~kilometer rates, which typically include fuel, insurance and~~
5 ~~maintenance.~~

6 Section 13.1. The act is amended by adding articles to read:

7 ~~ARTICLE XXIV~~

8 ~~FIREWORKS~~

9 ~~Section 2401. Definitions.~~

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

13 ~~"APA 87 1." The American Pyrotechnics Association Standard~~
14 ~~87 1: Standard for Construction and Approval for Transportation~~
15 ~~of Fireworks, Novelties, and Theatrical Pyrotechnics, 2001~~
16 ~~edition, or any subsequent edition.~~

17 ~~"Consumer fireworks."~~

18 ~~(1) Any combustible or explosive composition or any~~
19 ~~substance or combination of substances which is intended to~~
20 ~~produce visible or audible effects by combustion, is suitable~~
21 ~~for use by the public, complies with the construction,~~
22 ~~performance, composition and labeling requirements~~
23 ~~promulgated by the Consumer Products Safety Commission in 16~~
24 ~~CFR (relating to commercial practices) or any successor~~
25 ~~regulation and complies with the provisions for "consumer~~
26 ~~fireworks" as defined in APA 87 1 or any successor standard,~~
27 ~~the sale, possession and use of which shall be permitted~~
28 ~~throughout this Commonwealth.~~

29 ~~(2) The term does not include devices as "ground and~~
30 ~~hand held sparkling devices," "novelties" or "toy caps" in~~

~~APA 87-1 or any successor standard, the sale, possession and use of which shall be permitted at all times throughout this Commonwealth.~~

~~"Display fireworks." Large fireworks to be used solely by professional pyrotechnicians licensed by the Department of Agriculture and designed primarily to produce visible or audible effects by combustion, deflagration or detonation. The term includes, but is not limited to:~~

~~(1) salutes that contain more than two grains or 130 milligrams of explosive materials;~~

~~(2) aerial shells containing more than 60 grams of pyrotechnic compositions; and~~

~~(3) other display pieces that exceed the limits of explosive materials for classification as consumer fireworks and are classified as fireworks UN0333, UN0334 or UN0335 under 49 CFR 172.101 (relating to purpose and use of hazardous materials table).~~

~~"Municipality." A city, borough, incorporated town or township.~~

~~"NFPA 1124." The National Fire Protection Association Standard 1124, Code for the Manufacture, Transportation and Storage of Fireworks and Pyrotechnic Articles, 2017 edition, or any subsequent edition.~~

~~"Occupied structure." A structure, vehicle or place adapted for overnight accommodation of persons or for conducting business whether or not a person is actually present.~~

~~"Outdoor storage unit." A consumer fireworks building, trailer, semitrailer, metal shipping container or magazine meeting the specifications of NFPA 1124.~~

~~"Temporary structure." A structure, other than a permanent~~

~~1 facility with fixed utility connections, which is in use or in
2 place for a period of 20 consecutive calendar days or less and
3 is dedicated to the storage and sale of consumer fireworks and
4 related items. The term includes temporary retail sales stands,
5 tents, canopies and membrane structures meeting the
6 specifications of NFPA 1124.~~

~~7 Section 2402. Permits.~~

~~8 (a) Permissible purposes. Display fireworks may be
9 possessed and used by a person holding a permit from a
10 municipality at the display covered by the permit or when used
11 as authorized by a permit for any of the following:~~

~~12 (1) For agricultural purposes in connection with the
13 raising of crops and the protection of crops from bird and
14 animal damage.~~

~~15 (2) By railroads or other transportation agencies for
16 signal purposes or illumination.~~

~~17 (3) In quarrying or for blasting or other industrial
18 use.~~

~~19 (4) In the sale or use of blank cartridges for a show or
20 theater.~~

~~21 (5) For signal or ceremonial purposes in athletics or
22 sports.~~

~~23 (6) By military organizations or organizations composed
24 of veterans of the armed forces of the United States.~~

~~25 (b) Age limitation. A display fireworks permit may not be
26 issued to a person under 21 years of age.~~

~~27 (c) Bond. The governing body of the municipality shall
28 require a bond deemed adequate by it from the licensee in a sum
29 not less than \$50,000 conditioned for the payment of all damages
30 which may be caused to a person or property by reason of the~~

1 ~~licensed display and arising from an act of the licensee or an~~
2 ~~agent, an employee or a subcontractor of the licensee.~~

3 ~~Section 2403. Request for extension.~~

4 ~~(a) Authorization. If, because of unfavorable weather, the~~
5 ~~display for which a permit has been granted does not occur at~~
6 ~~the time authorized by the permit, the person to whom the permit~~
7 ~~was issued may within 24 hours apply for a request for extension~~
8 ~~to the authority which granted the permit.~~

9 ~~(b) Contents of request. The request for extension shall~~
10 ~~state under oath that the display was not made, provide the~~
11 ~~reason that the display was not made and request a continuance~~
12 ~~of the permit for a date designated within the request, which~~
13 ~~shall be not later than one week after the date originally~~
14 ~~designated in the permit.~~

15 ~~(c) Determination. Upon receiving the request for~~
16 ~~extension, the authority, if it believes that the facts stated~~
17 ~~within the request are true, shall extend the provisions of the~~
18 ~~permit to the date designated within the request, which shall be~~
19 ~~not later than one week after the date originally designated in~~
20 ~~the permit.~~

21 ~~(d) Conditions. The extension of time shall be granted~~
22 ~~without the payment of an additional fee and without requiring a~~
23 ~~bond other than the bond given for the original permit, the~~
24 ~~provisions of which shall extend to and cover all damages which~~
25 ~~may be caused by reason of the display occurring at the extended~~
26 ~~date and in the same manner and to the same extent as if the~~
27 ~~display had occurred at the date originally designated in the~~
28 ~~permit.~~

29 ~~Section 2404. Use of consumer fireworks.~~

30 ~~(a) Conditions. A person who is at least 18 years of age~~

1 ~~and meets the requirements of this article may purchase, possess~~
2 ~~and use consumer fireworks.~~

3 ~~(b) Prohibitions. A person may not intentionally ignite or~~
4 ~~discharge:~~

5 ~~(1) Consumer fireworks on public or private property~~
6 ~~without the express permission of the owner.~~

7 ~~(2) Consumer fireworks or sparkling devices within, or~~
8 ~~throw consumer fireworks or sparkling devices from, a motor~~
9 ~~vehicle or building.~~

10 ~~(3) Consumer fireworks or sparkling devices into or at a~~
11 ~~motor vehicle or building or at another person.~~

12 ~~(4) Consumer fireworks or sparkling devices while the~~
13 ~~person is under the influence of alcohol, a controlled~~
14 ~~substance or another drug.~~

15 ~~(5) Consumer fireworks within 150 feet of an occupied~~
16 ~~structure.~~

17 ~~Section 2404.1. Use of display fireworks.~~

18 ~~No display fireworks shall be ignited within 300 feet of a~~
19 ~~facility.~~

20 ~~Section 2405. Agricultural purposes.~~

21 ~~(a) Authorization. The governing body of a municipality~~
22 ~~may, under reasonable rules and regulations adopted by it, grant~~
23 ~~permits for the use of suitable fireworks for agricultural~~
24 ~~purposes in connection with the raising of crops and the~~
25 ~~protection of crops from bird and animal damage.~~

26 ~~(b) Duration of permit. A permit under this section shall~~
27 ~~remain in effect for the calendar year in which it was issued.~~

28 ~~(c) Conditions. After a permit under this section has been~~
29 ~~granted, sales, possession and use of fireworks of the type and~~
30 ~~for the purpose mentioned in the permit shall be lawful for that~~

1 ~~purpose only.~~

2 ~~Section 2406. Rules and regulations by municipality.~~

3 ~~(a) Authorization. Permission shall be given by the~~
4 ~~governing body of a municipality under reasonable rules and~~
5 ~~regulations for displays of display fireworks to be held within~~
6 ~~the municipality.~~

7 ~~(b) Conditions.~~

8 ~~(1) Each display shall be:~~

9 ~~(i) handled by a competent operator; and~~

10 ~~(ii) of a character and so located, discharged or~~
11 ~~fired as, in the opinion of the chief of the fire~~
12 ~~department or other appropriate officer as may be~~
13 ~~designated by the governing body of the municipality,~~
14 ~~after proper inspection, to not be hazardous to property~~
15 ~~or endanger any person.~~

16 ~~(2) After permission is granted under this section,~~
17 ~~possession and use of display fireworks for display shall be~~
18 ~~lawful for that purpose only.~~

19 ~~(3) A permit shall be transferable.~~

20 ~~Section 2407. Sales locations.~~

21 ~~Except as provided in section 2410, consumer fireworks shall~~
22 ~~be sold only from facilities which are licensed by the~~
23 ~~Department of Agriculture and that meet the following criteria:~~

24 ~~(1) The facility shall comply with the provisions of the~~
25 ~~act of November 10, 1999 (P.L.491, No.45), known as the~~
26 ~~Pennsylvania Construction Code Act.~~

27 ~~(2) The facility shall be a stand alone permanent~~
28 ~~structure.~~

29 ~~(3) Storage areas shall be separated from wholesale or~~
30 ~~retail sales areas to which a purchaser may be admitted by~~

1 ~~appropriately rated fire separation.~~

2 ~~(4) The facility shall be located no closer than 250-~~
3 ~~feet from a facility selling or dispensing gasoline, propane~~
4 ~~or other flammable products.~~

5 ~~(5) The facility shall be located at least 1,500 feet~~
6 ~~from another facility licensed to sell consumer fireworks.~~

7 ~~(6) The facility shall have a monitored burglar and fire~~
8 ~~alarm system.~~

9 ~~(7) Quarterly fire drills and preplanning meetings shall~~
10 ~~be conducted as required by the primary fire department.~~

11 ~~Section 2408. Fees, granting of licenses and inspections.~~

12 ~~(a) Initial application fees.~~

13 ~~(1) An initial application for a license to sell~~
14 ~~consumer fireworks shall be submitted to the Department of~~
15 ~~Agriculture on forms prescribed and provided by the~~
16 ~~department with a nonrefundable application fee as follows:~~

17 ~~(i) For a facility meeting the requirements of~~
18 ~~section 2407, the application shall be submitted with a~~
19 ~~nonrefundable application fee of \$2,500.~~

20 ~~(ii) For a facility meeting the requirements of~~
21 ~~section 2410, the application shall be submitted with a~~
22 ~~nonrefundable application fee of \$1,000 no later than 30~~
23 ~~days prior to the first day of sale.~~

24 ~~(2) An application under paragraph (1) (i) or (ii) shall~~
25 ~~also be accompanied by the appropriate annual license fee as~~
26 ~~provided in subsection (b).~~

27 ~~(b) Annual license fees. The annual license fee for a~~
28 ~~facility licensed to sell consumer fireworks shall be as~~
29 ~~follows:~~

30 ~~(1) \$7,500 for a location up to 10,000 square feet;~~

1 ~~(2) \$10,000 for a location up to 15,000 square feet;~~

2 ~~(3) \$20,000 for a location up to 20,000 square feet; and~~

3 ~~(4) \$2,000 for a temporary structure.~~

4 ~~(c) Time limitations and inspections.~~

5 ~~(1) A facility meeting the requirements of section 2407~~
6 ~~shall be inspected by the Department of Agriculture within 30~~
7 ~~days of receipt of a complete application for a license. The~~
8 ~~Department of Agriculture shall issue or deny a license~~
9 ~~within 14 days of completing the inspection.~~

10 ~~(2) The Department of Agriculture shall issue or deny a~~
11 ~~license for a facility meeting the requirements of section~~
12 ~~2410 no later than 10 days prior to the first day of sale.~~
13 ~~The facility shall be available for inspection by the~~
14 ~~Department of Agriculture for compliance with NFPA 1124 at~~
15 ~~all times during the licensed selling period.~~

16 ~~(d) Term of license. A license issued for the sale of~~
17 ~~consumer fireworks shall be effective for one year from the date~~
18 ~~the license is issued.~~

19 ~~(e) License renewal and inspections. License renewal shall~~
20 ~~be automatic upon payment of the appropriate annual license fee~~
21 ~~under subsection (b), but each facility shall be subject to~~
22 ~~annual inspections by the Department of Agriculture and at other~~
23 ~~times as the department may deem appropriate.~~

24 ~~(f) Condition. No license may be issued to a convicted~~
25 ~~felon or to an entity in which a convicted felon owns a~~
26 ~~percentage of the equity interest.~~

27 ~~Section 2409. Conditions for facilities.~~

28 ~~A facility licensed by the Department of Agriculture shall be~~
29 ~~exclusively dedicated to the storage and sale of consumer~~
30 ~~fireworks and related items, and the facility shall operate in~~

1 ~~accordance with the following rules:~~

2 ~~(1) There shall be security personnel on the premises~~
3 ~~for the seven days preceding and including July 4 and for the~~
4 ~~three days preceding and including January 2.~~

5 ~~(2) No smoking shall be permitted in the facility.~~

6 ~~(3) No cigarettes or tobacco products, matches, lighters~~
7 ~~or any other flame producing devices shall be permitted to be~~
8 ~~taken into the facility.~~

9 ~~(4) No minors shall be permitted in the facility unless~~
10 ~~accompanied by an adult, and each minor shall stay with the~~
11 ~~adult in the facility.~~

12 ~~(5) All facilities shall carry at least \$2,000,000 in~~
13 ~~public and product liability insurance.~~

14 ~~(6) A licensee shall provide its employees with~~
15 ~~documented training in the area of operational safety of a~~
16 ~~facility. The licensee shall provide to the Department of~~
17 ~~Agriculture written documentation that each employee has~~
18 ~~received the training.~~

19 ~~(7) No display fireworks shall be stored or located at a~~
20 ~~facility.~~

21 ~~(8) No person who appears to be under the influence of~~
22 ~~intoxicating liquor or drugs shall be admitted to the~~
23 ~~facility, and no liquor, beer or wine shall be permitted in~~
24 ~~the facility.~~

25 ~~(9) Emergency evacuation plans shall be conspicuously~~
26 ~~posted in appropriate locations within the facility.~~

27 ~~Section 2410. Temporary structures.~~

28 ~~(a) Conditions. Notwithstanding section 2607 or any other~~
29 ~~provision of law, a temporary structure may be licensed by the~~
30 ~~Department of Agriculture to sell consumer fireworks if the~~

1 ~~temporary structure meets all of the following requirements:~~

2 ~~(1) The temporary structure is located no closer than~~
3 ~~250 feet from a facility storing, selling or dispensing~~
4 ~~gasoline, propane or other flammable products.~~

5 ~~(2) An evacuation plan is posted in a conspicuous~~
6 ~~location for a temporary structure in accordance with NFPA~~
7 ~~1124.~~

8 ~~(3) The outdoor storage unit, if any, is separated from~~
9 ~~the wholesale or retail sales area to which a purchaser may~~
10 ~~be admitted by appropriately rated fire separation.~~

11 ~~(4) The temporary structure complies with NFPA 1124 as~~
12 ~~it relates to retail sales of consumer fireworks in temporary~~
13 ~~structures.~~

14 ~~(5) The temporary structure is located at least one mile~~
15 ~~from a permanent facility licensed to sell consumer~~
16 ~~fireworks.~~

17 ~~(6) The temporary structure does not exceed 2,500 square~~
18 ~~feet.~~

19 ~~(7) The temporary structure is secured at all times~~
20 ~~during which consumer fireworks are displayed within the~~
21 ~~structure.~~

22 ~~(8) The temporary structure has a minimum of \$2,000,000~~
23 ~~in public and product liability insurance.~~

24 ~~(9) The sales period is limited to June 15 through July~~
25 ~~8 and December 21 through January 2 of each year.~~

26 ~~(10) Consumer fireworks not on display for retail sale~~
27 ~~are stored in an outdoor storage unit.~~

28 ~~(b) Limitations. The sale of consumer fireworks from the~~
29 ~~temporary structure is limited to the following:~~

30 ~~(1) Helicopter, Aerial Spinner (APA 87-1, 3.1.2.3).~~

1 ~~(2) Roman Candle (APA 87-1, 3.1.2.4).~~

2 ~~(3) Mine and Shell Devices (APA 87-1, 3.1.2.5).~~

3 ~~Section 2411. Attorney General.~~

4 ~~(a) Registration. Any business entity which performs,~~
5 ~~provides or supervises fireworks displays or exhibitions for~~
6 ~~profit shall register annually with the Attorney General.~~

7 ~~(b) Rules. The Attorney General shall promulgate rules to~~
8 ~~implement this section.~~

9 ~~Section 2412. Consumer fireworks tax.~~

10 ~~(a) Imposition. In addition to any other tax imposed by~~
11 ~~law, a tax is imposed on each separate sale at retail of~~
12 ~~consumer fireworks, which tax shall be collected by the retailer~~
13 ~~from the purchaser at the time of sale and shall be paid over to~~
14 ~~the Commonwealth as provided in this section. A tax imposed~~
15 ~~under this subsection on each separate sale at retail shall be~~
16 ~~paid to and received by the Department of Revenue and, along~~
17 ~~with interest and penalties, shall be deposited into the General~~
18 ~~Fund.~~

19 ~~(b) Rate. The tax authorized under subsection (a) shall be~~
20 ~~imposed and collected at the rate of 12% of the purchase price~~
21 ~~per item sold. The purchase price shall include State and local~~
22 ~~sales taxes.~~

23 ~~(c) Collection and administration. The provisions of Part~~
24 ~~VI of Article II shall apply to the tax authorized under~~
25 ~~subsection (a). No additional fee shall be charged for a license~~
26 ~~or license renewal other than the license or renewal fee~~
27 ~~required under section 2408 and the license or renewal fee~~
28 ~~authorized and imposed under Article II.~~

29 ~~Section 2413. Disposition of certain funds.~~

30 ~~(a) Transfer. One sixth of the tax collected under this~~

~~article, not to exceed \$2,000,000, shall be transferred annually for the purpose of making grants under 35 Pa.C.S. Ch. 78 Subch. C (relating to Emergency Medical Services Grant Program).~~

~~(b) Payments. The transfer required under subsection (a) shall be made in two equal payments by September 15 and March 15.~~

Section 2414. Penalties.

The following shall apply:

~~(1) A person, a copartnership, an association or a corporation using consumer fireworks in violation of the provisions of this article commits a summary offense and, upon conviction, shall be punished by a fine of not more than \$100.~~

~~(2) A person, a copartnership, an association or a corporation selling consumer fireworks in violation of the provisions of this act commits a misdemeanor of the second degree.~~

~~(3) A person, a copartnership, an association or a corporation selling display fireworks in violation of the provisions of this act commits a felony of the third degree.~~

~~(4) A person, a copartnership, an association or a corporation selling federally illegal explosives such as devices as described in 49 CFR 173.54 (relating to forbidden explosives) or those devices that have not been tested, approved and labeled by the United States Department of Transportation, including, but not limited to, those devices commonly referred to as "M 80," "M 100," "blockbuster," "cherry bomb" or "quarter or half stick" explosive devices, in violation of the provisions of this act commits a felony of the third degree.~~

1 ~~Section 2415. Removal, storage and destruction.~~

2 ~~The Pennsylvania State Police, a sheriff or police officer~~
3 ~~shall take, remove or cause to be removed at the expense of the~~
4 ~~owner all stocks of consumer fireworks or display fireworks or~~
5 ~~combustibles offered or exposed for sale, stored or held in~~
6 ~~violation of this article. The owner shall also be responsible~~
7 ~~for the storage and, if deemed necessary, the destruction of~~
8 ~~these fireworks.~~

9 ~~ARTICLE XXIV A~~

10 ~~UNCONVENTIONAL GAS WELLS~~

11 ~~Section 2401 A. Definitions.~~

12 ~~The following words and phrases when used in this article~~
13 ~~shall have the meanings given to them in this section unless the~~
14 ~~context clearly indicates otherwise:~~

15 ~~"Average annual price of natural gas." As defined in 58~~
16 ~~Pa.C.S. § 2301 (relating to definitions).~~

17 ~~"Commission." The Pennsylvania Public Utility Commission.~~

18 ~~"Department." The Department of Environmental Protection of~~
19 ~~the Commonwealth.~~

20 ~~"Meter." A device to measure the passage of volumes of gases~~
21 ~~or liquids past a certain point.~~

22 ~~"Natural gas." As defined in 58 Pa.C.S. § 2301.~~

23 ~~"Producer." As defined in 58 Pa.C.S. § 2301.~~

24 ~~"Sever." The extraction or other removal of natural gas from~~
25 ~~an unconventional formation in this Commonwealth. The term does~~
26 ~~not include natural gas, in gaseous or liquid form, which is~~
27 ~~burned, used, consumed or otherwise employed in oil and gas~~
28 ~~operations at a natural gas well site:~~

29 ~~(1) for secondary recovery;~~

30 ~~(2) for re pressuring;~~

1 ~~(3) for pressure maintenance; or~~

2 ~~(4) as fuel for equipment.~~

3 ~~"Trigger date." The date 60 days after the effective date of~~
4 ~~this section.~~

5 ~~"Unconventional formation." As defined in 58 Pa.C.S. § 2301.~~

6 ~~"Unconventional gas well." As defined in 58 Pa.C.S. § 2301.~~

7 ~~"Unit." A thousand cubic feet (Mcf) of natural gas at a~~
8 ~~temperature of 60 degrees Fahrenheit and an absolute pressure of~~
9 ~~14.73 pounds per square inch, in accordance with American Gas~~
10 ~~Association (AGA) standards and according to Boyle's law for the~~
11 ~~measurement of gas under varying pressures with deviations~~
12 ~~therefrom as follows:~~

13 ~~(1) The average absolute atmospheric pressure shall be~~
14 ~~assumed to be 14.4 pounds to the square inch, notwithstanding~~
15 ~~the actual elevation or location of point of delivery above~~
16 ~~sea level or variations in the atmospheric pressure.~~

17 ~~(2) The temperature of the gas passing the meters shall~~
18 ~~be determined by the continuous use of a recording~~
19 ~~thermometer installed so that the thermometer may properly~~
20 ~~record the temperature of the gas flowing through the meters.~~
21 ~~The arithmetic average of the temperature recorded each 24-~~
22 ~~hour day shall be used in computing gas volumes. If a~~
23 ~~recording thermometer is not installed, or if installed and~~
24 ~~not operating properly, an average flowing temperature of 60-~~
25 ~~degrees Fahrenheit shall be used in computing gas volume.~~

26 ~~(3) The specific gravity of the gas shall be determined~~
27 ~~by tests made by the use of an Edwards or Acme gravity~~
28 ~~balance annually or at intervals as are found necessary in~~
29 ~~practice. Specific gravity shall be used in computing gas~~
30 ~~volumes.~~

~~(4) The deviation of the natural gas from Boyle's law shall be determined by tests annually or at other shorter intervals as are found necessary in practice. The apparatus and the method to be used in making the tests shall be in accordance with recommendations of the National Bureau of Standards of the Department of Commerce or Report No. 3 of the Gas Measurement Committee of the American Gas Association, or any amendments thereof. The results of the tests shall be used in computing the volume of gas delivered.~~

~~"Wellhead meter." A meter placed at a producing site to measure the actual volume of natural gas severed.~~

~~Section 2402 A. Volume differential tax.~~

~~(a) Imposition. Each producer subject to the unconventional gas well fee imposed under 58 Pa.C.S. § 2302 (relating to unconventional gas well fee) shall pay a volume differential tax.~~

~~(b) Computation. The volume differential tax for each unconventional gas well shall be calculated by applying the applicable rate under subsection (b.1) to natural gas severed from the unconventional gas well during the imposition period under subsection (b.2).~~

~~(b.1) Tax rate. The tax rate shall be as follows:~~

~~(1) If the average annual price of natural gas for the calendar year immediately preceding the start of the imposition period is not more than \$2.25, the surcharge rate shall be \$0.015 per unit severed.~~

~~(2) If the average annual price of natural gas for the calendar year immediately preceding the start of the imposition period is greater than \$2.25 and less than \$3.00, the tax rate shall be \$0.02 per unit severed.~~

1 ~~(3) If the average annual price of natural gas for the~~
2 ~~calendar year immediately preceding the start of the~~
3 ~~imposition period is greater than \$2.99 and less than \$5.00,~~
4 ~~the tax rate shall be \$0.025 per unit severed.~~

5 ~~(4) If the average annual price of natural gas for the~~
6 ~~calendar year immediately preceding the start of the~~
7 ~~imposition period is greater than \$4.99 and less than \$6.00,~~
8 ~~the tax rate shall be \$0.03 per unit severed.~~

9 ~~(5) If the average annual price of natural gas for the~~
10 ~~calendar year immediately preceding the start of the~~
11 ~~imposition period is more than \$5.99, the tax rate shall be~~
12 ~~\$0.035 per unit severed.~~

13 ~~(b.2) Imposition period. The imposition period shall be as~~
14 ~~follows:~~

15 ~~(1) For fiscal year 2017-2018, the imposition period~~
16 ~~shall be from July 1, 2017, to April 30, 2018.~~

17 ~~(2) For fiscal year 2018-2019, and each fiscal year~~
18 ~~thereafter, the imposition period shall be from May 1 of the~~
19 ~~preceding fiscal year to April 30 of the current fiscal year.~~

20 ~~(b.3) Payment. The volume differential tax imposed under~~
21 ~~this article shall be due on the same day the report is due~~
22 ~~under subsection (b.4). The tax shall become delinquent if not~~
23 ~~remitted to the commission on the reporting date.~~

24 ~~(b.4) Report. By June 15, 2018, and June 15 of each year~~
25 ~~thereafter, every producer shall submit payment of the volume~~
26 ~~differential tax to the commission and a report on a form~~
27 ~~prescribed by the commission for the imposition period.~~

28 ~~(c) Volume measurement.~~

29 ~~(1) Except as provided under paragraph (2), for purposes~~
30 ~~of computing the volume differential tax, natural gas severed~~

1 ~~shall be measured at the wellhead meter.~~

2 ~~(2) Natural gas severed prior to the trigger date shall~~
3 ~~be measured according to the standards and methods used for~~
4 ~~reporting natural gas production to the department.~~

5 ~~(d) Administration. The volume differential tax shall be~~
6 ~~administered and enforced in the same manner as the~~
7 ~~unconventional gas well fee under 58 Pa.C.S. Ch. 23 (relating to~~
8 ~~unconventional gas well fee).~~

9 ~~(e) Use of funds. Money collected from the volume~~
10 ~~differential tax under this section shall be transferred to the~~
11 ~~State Treasurer for allocation annually as follows:~~

12 ~~(1) If the total amount of the fees submitted by April 1~~
13 ~~of each year under 58 Pa.C.S. § 2303(b) (relating to~~
14 ~~administration) is less than \$200,000,000, an amount equal to~~
15 ~~the difference between \$200,000,000 and that total amount~~
16 ~~shall be deposited into the Unconventional Gas Well Fund and~~
17 ~~shall be distributed as provided under 58 Pa.C.S. §§ 2314~~
18 ~~(relating to distribution of fee) and 2315 (relating to~~
19 ~~Statewide initiatives).~~

20 ~~(2) After deposit under paragraph (1), remaining money~~
21 ~~shall be deposited into the General Fund.~~

22 ~~(f) Independent Fiscal Office. Beginning September 30,~~
23 ~~2018, and quarterly thereafter, the Independent Fiscal Office~~
24 ~~shall publish a report on its publicly accessible Internet~~
25 ~~website that shows the calculation of an average effective tax~~
26 ~~rate of the volume differential tax imposed under this article~~
27 ~~and the unconventional gas well fee imposed under 58 Pa.C.S. Ch.~~
28 ~~23, imposed for the preceding imposition period. The average~~
29 ~~effective tax rate shall quantify the implicit tax burden~~
30 ~~imposed on a producer by both the volume differential tax and~~

~~1 the unconventional gas well fee in a given year. The average
2 effective tax rate shall be based upon the market value of
3 natural gas at the wellhead using regional price information
4 from hubs located in this Commonwealth and postproduction costs
5 shall be deducted to approximate the value of natural gas at the
6 wellhead. The report shall include the methodology used to
7 calculate the average effective tax rate.~~

~~8 Section 2403 A. Issuance of permit.~~

~~9 (a) Operations. Notwithstanding any other provision of law,
10 a permit application to undertake an activity related to
11 unconventional oil and gas development which has not been denied
12 by the department within the applicable time period established
13 for review shall be deemed approved. If the review period for
14 the permit has been extended for cause, the department shall
15 provide a refund of the fee to the applicant. If the department
16 has notified the person of deficiencies with the application,
17 the period of time from the date of the receipt of the
18 deficiencies to the date of the receipt of the person's response
19 shall toll the applicable time period established for review.
20 Only two tolling periods shall be authorized.~~

~~21 (b) Construction. Nothing under this section shall be
22 construed to relieve a person who commences activity under this
23 section from complying with each law pertaining to the activity
24 for which the permit is sought.~~

~~25 (c) Definitions. As used in this section, the following
26 words and phrases shall have the meanings given to them in this
27 subsection unless the context clearly indicates otherwise:~~

~~28 "Applicable time period established for review." As follows:~~

~~29 (1) For a well permit required under 58 Pa.C.S. §
30 3211(e) (relating to well permits), within:~~

~~(i) forty five calendar days of submission; or
(ii) sixty calendar days of submission if the review
period has been extended for cause.~~

~~(2) For a general air quality permit, within 30 calendar
days of submission.~~

~~(3) For an earth disturbance permit as required under 25
Pa. Code § 102.5 (relating to permit requirements), within:~~

~~(i) fifty three business days of submission; or~~

~~(ii) twenty four business days of submission for an
expedited application.~~

~~ARTICLE XXIV B~~

~~UNCONVENTIONAL NATURAL GAS AIR QUALITY PROTECTION~~

~~Section 2401 B. Definitions.~~

~~The following words and phrases when used in this article
shall have the meanings given to them in this section unless the
context clearly indicates otherwise:~~

~~"Department." The Department of Environmental Protection of
the Commonwealth.~~

~~"Temporary activity." Well site and access road preparation,
pad construction, drilling and well completion.~~

~~Section 2402 B. Air quality permits for unconventional natural gas well sites.~~

~~(a) Publication. Not earlier than December 31, 2017, the
department shall submit to the Legislative Reference Bureau for
publication in the Pennsylvania Bulletin each proposed final
General Plan Approval and/or General Operating Permit for
Unconventional Natural Gas Well Site Operations and Remote
Pigging Stations and each General Plan Approval and/or General
Operating Permit for Natural Gas Compression Stations,
Processing Plants and Transmission Stations modified as a result~~

1 ~~of the "extension of the comment period" set forth at 47 Pa.B.~~
2 ~~1235 (February 25, 2017) or as a result of a subsequent~~
3 ~~extension period.~~

4 ~~(b) Consideration. Within 14 legislative days following~~
5 ~~publication of the proposed final permits under subsection (a),~~
6 ~~the Air Quality Permit Advisory Committee shall consider each~~
7 ~~permit and shall vote whether to approve or reject the proposed~~
8 ~~permit. The following shall apply:~~

9 ~~(1) If a majority of the Air Quality Permit Advisory~~
10 ~~Committee votes to disapprove a proposed final permit, the~~
11 ~~department shall revise that proposed final permit and do the~~
12 ~~following:~~

13 ~~(i) review and consider the reasons for disapproval~~
14 ~~and modify the proposed final permit; and~~

15 ~~(ii) resubmit the new version of the proposed final~~
16 ~~permit to the Air Quality Permit Advisory Committee~~
17 ~~within 14 legislative days.~~

18 ~~(2) If a majority of the Air Quality Permit Advisory~~
19 ~~Committee votes to approve a proposed final permit, the~~
20 ~~following shall apply:~~

21 ~~(i) The department shall submit the approved permit~~
22 ~~to the Legislative Reference Bureau for publication in~~
23 ~~the Pennsylvania Bulletin.~~

24 ~~(ii) The permit shall take effect upon publication~~
25 ~~in the Pennsylvania Bulletin.~~

26 ~~(c) Applicability. The requirements of a General Plan~~
27 ~~Approval and General Operating Permit for Unconventional Natural~~
28 ~~Gas Well Site Operations and Remote Pigging Stations shall not~~
29 ~~apply to any of the following:~~

30 ~~(1) A natural gas well site which:~~

1 ~~(i) commenced production prior to the date of~~
2 ~~publication under subsection (b) (2) (ii); and~~

3 ~~(ii) continues to meet the requirements to retain~~
4 ~~that exemption.~~

5 ~~(2) Temporary activity.~~

6 ~~Section 2403 B. Air Quality Permit Advisory Committee.~~

7 ~~(a) Establishment. The Air Quality Permit Advisory~~
8 ~~Committee is established.~~

9 ~~(b) Composition. The Air Quality Permit Advisory Committee~~
10 ~~shall consist of the following:~~

11 ~~(1) One member appointed by the Governor.~~

12 ~~(2) The following members of the Senate:~~

13 ~~(i) One member appointed by the President pro~~
14 ~~tempore of the Senate.~~

15 ~~(ii) One member appointed by the Majority Leader of~~
16 ~~the Senate.~~

17 ~~(iii) One member appointed by the Minority Leader of~~
18 ~~the Senate.~~

19 ~~(3) The following members of the House of~~
20 ~~Representatives:~~

21 ~~(i) One member appointed by the Speaker of the House~~
22 ~~of Representatives.~~

23 ~~(ii) One member appointed by the Majority Leader of~~
24 ~~the House of Representatives.~~

25 ~~(iii) One member appointed by the Minority Leader of~~
26 ~~the House of Representatives.~~

27 ~~(c) Appointments. Appointments to the Air Quality Permit~~
28 ~~Advisory Committee shall be made within 60 days of the effective~~
29 ~~date of this section.~~

30 ~~ARTICLE XXIV C~~

1 ENVIRONMENTAL PERMITTING REFORM

2 Section 2401-C. Definitions.

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

6 "Department." The Department of Environmental Protection of
7 the Commonwealth.

8 "Licensed professional." An individual licensed by the
9 Commonwealth as a professional landscape architect, engineer,
10 land surveyor or geologist.

11 "Permit." A written authorization issued by the department
12 or an authorization under a delegated agreement by the
13 department to engage in a regulated activity, including, but not
14 limited to, a new permit, permit renewal, permit amendment,
15 permit modification, permit transfer, change of ownership, plan
16 approval or registration under a general permit. The term does
17 not include a certification or license.

18 "Permit application." The document submitted to the
19 department by an applicant that, if approved, grants a permit to
20 an applicant.

21 "Permit decision." The issuance or denial of a permit.

22 "Permit decision delay." The failure of the department to
23 issue a permit decision within:

24 (1) the time period specified by statute or regulation
25 or by the relevant time period established under 4 Pa. Code
26 Ch. 7a Subch. II (relating to permit decision guarantee for
27 the Department of Environmental Protection); or

28 (2) 30 days after the submission of a permit application
29 or request for plan approval or other authorization when no
30 time period is specified by statute, regulation or 4 Pa. Code

1 ~~Ch. 7a Subch. H.~~

2 ~~"Permit program." The operation and management of permits~~
3 ~~identified which are subject to permit decision delay.~~

4 ~~Section 2402 C. Initial review by department.~~

5 ~~Within 30 days after the effective date of this section, the~~
6 ~~department shall review all permit decisions and permit decision~~
7 ~~delays during the immediately prior calendar year and submit a~~
8 ~~report of findings to the chairperson and minority chairperson~~
9 ~~of the Environmental Resources and Energy Committee of the~~
10 ~~Senate and the chairperson and minority chairperson of the~~
11 ~~Environmental Resources and Energy Committee of the House of~~
12 ~~Representatives.~~

13 ~~Section 2403 C. Third party review under permit program.~~

14 ~~(a) Establishment and administration of permit program.~~
15 ~~Within one year of the issuance of the initial report under~~
16 ~~section 2402 C, the department shall establish and implement a~~
17 ~~permit program. The department shall contract with third party~~
18 ~~licensed professionals for the purpose of administering the~~
19 ~~permit program.~~

20 ~~(b) Transfer of information. Within one year after the~~
21 ~~establishment of the permit program under subsection (a), the~~
22 ~~department shall transfer information regarding permit decisions~~
23 ~~and permit decision delays to the third party licensed~~
24 ~~professionals with whom the department has contracted.~~

25 ~~(c) Fees. Fees collected by the department from permit~~
26 ~~applications in the permit program shall be remitted to the~~
27 ~~respective third party licensed professionals with whom the~~
28 ~~department has contracted for the permit program.~~

29 ~~(d) Agent of Commonwealth. A third party licensed~~
30 ~~professional with whom the department has contracted for the~~

1 ~~permit program shall be duly recognized as an agent of the~~
2 ~~Commonwealth for the permit program to resolve each permit~~
3 ~~application which is subject to a permit decision delay and~~
4 ~~permit decisions under subsection (e).~~

5 ~~(e) Selection. A permit applicant may select a third party~~
6 ~~licensed professional with whom the department has contracted~~
7 ~~for the permit program to review the permit application.~~

8 ~~Section 2404 C. Annual reports.~~

9 ~~No later than January 31 of each year, the department shall~~
10 ~~submit to the General Assembly an annual report which, at a~~
11 ~~minimum, shall contain the following information from the~~
12 ~~immediately prior calendar year:~~

13 ~~(1) The number of permit applications received.~~

14 ~~(2) The number of permit applications reviewed by the~~
15 ~~department and third party licensed professionals with whom~~
16 ~~the department has contracted for the permit program.~~

17 ~~(3) The average time frame for permit decisions by the~~
18 ~~department and third party licensed professionals with whom~~
19 ~~the department has contracted for the permit program.~~

20 ~~(4) The number and average workload of third party~~
21 ~~licensed professionals with whom the department has~~
22 ~~contracted for the permit program.~~

23 ~~(5) The number and average workload of staff members~~
24 ~~within the department reviewing permit applications,~~
25 ~~organized by each regional office of the department.~~

26 ~~Section 2405 C. Rules and regulations.~~

27 ~~The department shall promulgate rules and regulations~~
28 ~~necessary to implement the provisions of this article.~~

29 ~~Section 2406 C. Applicability.~~

30 ~~This article shall apply to all permits required to comply~~

1 ~~with statutes and regulations administered by the department.~~

2 ~~Section 2407-C. Effect of article.~~

3 ~~Nothing in this article shall be construed to limit or~~
4 ~~otherwise alter the department's authority to revoke a permit~~
5 ~~for failure to comply with the laws of this Commonwealth.~~

6 Section 14. Section 2702(a) and (a.1)(2) of the act are
7 amended to read:

8 Section 2702. Petition for reassessment.

9 (a) General rule. A taxpayer may file a petition for
10 reassessment with the department within [90] 60 days after the
11 mailing date of the notice of assessment.

12 (a.1) Petition for review of tax adjustment not resulting in
13 an increase in liability.

14 * * *

15 (2) A taxpayer must file a petition for review under
16 this subsection within [90] 60 days of the mailing date of
17 the department's notice of adjustment. A taxpayer's failure
18 to file a petition under this subsection shall not prejudice
19 the taxpayer's right to file a petition in a subsequent tax
20 year.

21 * * *

22 Section 15. Section 2703(e) and (f) of the act are amended
23 and the section is amended by adding a subsection to read:

24 Section 2703. Petition procedure.

25 * * *

26 (e) Exception to time limit for decision and order. If at
27 [the] any time [of the filing of] a petition is under the
28 jurisdiction of the department and proceedings are pending in a
29 court of competent jurisdiction wherein any claim made in the
30 petition may be established, the department, upon the written

1 ~~request of the petitioner or under the department's initiative,~~
2 ~~may defer consideration of the petition until the expiration~~
3 ~~date of the appeal period from the final judgment of the court~~
4 ~~of highest jurisdiction determining the question or questions~~
5 ~~involved in the petition has been decided. If consideration of~~
6 ~~the petition is deferred, the department shall issue a decision~~
7 ~~and order disposing of the petition within six months after the~~
8 ~~final judgment.~~

9 ~~(e.1) Additional deferment authorized. If a matter pending~~
10 ~~before the department would be materially affected by an audit~~
11 ~~or other proceeding before the Internal Revenue Service or by an~~
12 ~~audit or other proceeding conducted by the Commonwealth or~~
13 ~~another state, the department, upon the written request of the~~
14 ~~petitioner or under the department's initiative, may defer~~
15 ~~consideration of the petition until such time as the other audit~~
16 ~~or proceeding is completed. If consideration of the petition is~~
17 ~~deferred, the department shall issue a decision and order~~
18 ~~disposing of the petition within six months after the audit or~~
19 ~~other proceeding is completed.~~

20 ~~(f) Failure of department to take action. The failure of~~
21 ~~the department to dispose of the petition within the time period~~
22 ~~provided for by subsection (d) [or], (e) or (e.1) shall act as a~~
23 ~~denial of the petition. Notice of the department's failure to~~
24 ~~take action and the denial of the petition shall be mailed to~~
25 ~~the petitioner.~~

26 ~~Section 16. Section 2704(a), (b), (d.2), (d.3), (d.5),~~
27 ~~(d.7), (e), (f) and (h) of the act are amended and the section~~
28 ~~is amended by adding subsections to read:~~

29 ~~Section 2704. Review by board.~~

30 ~~(a) Petition for review of a decision and order. Within~~

1 ~~{90} 60 days after the mailing date of the department's notice~~
2 ~~of decision and order on a petition filed with it, a taxpayer~~
3 ~~may petition the board to review the decision and order of the~~
4 ~~department.~~

5 ~~(b) Petition for review of denial by department's failure to~~
6 ~~act. A petition for review may be filed with the board within~~
7 ~~{90} 60 days after the mailing date of the department's notice~~
8 ~~to the petitioner of its failure to dispose of the petition~~
9 ~~within the time periods prescribed by section 2703(d) [or], (e)~~
10 ~~or (e.1).~~

11 * * *

12 ~~(d.2) Evidence. The petitioner and the department shall be~~
13 ~~entitled to present oral and documentary evidence in support of~~
14 ~~their positions. The petitioner and the department will be~~
15 ~~provided the opportunity to comment upon any submitted evidence~~
16 ~~and provide written and oral argument to support their~~
17 ~~positions. Written arguments and evidence submitted to the board~~
18 ~~shall be submitted to the other party. If written arguments and~~
19 ~~evidence are not submitted to the other party, the board shall~~
20 ~~not take notice of the written arguments or evidence.~~

21 ~~(d.3) Ex parte communications. The members or staff of the~~
22 ~~board shall not participate in any ex parte communications with~~
23 ~~the petitioner or the department or their representatives~~
24 ~~regarding the specific procedure or merits of any tax appeal~~
25 ~~pending before the board unless the other party agrees. Any~~
26 ~~information or documentation provided to the members or staff of~~
27 ~~the board by the petitioner or the department or their~~
28 ~~representatives in a communication regarding the specific~~
29 ~~procedure or merits of any appeal pending before the board shall~~
30 ~~also be promptly provided to the other party.~~

1 ~~***~~

2 ~~(d.5) Request for hearing. Upon written request of the~~
3 ~~petitioner or the department or when deemed necessary by the~~
4 ~~board, the board shall schedule a hearing to review a petition.~~
5 ~~The petitioner and the department shall be notified by the board~~
6 ~~of the date, time and place where the hearing will be held. If~~
7 ~~the petitioner or the department requests a hearing under this~~
8 ~~subsection, the petitioner or the department shall provide~~
9 ~~notice to the other party at least ten days before the date of~~
10 ~~the hearing. If the petitioner or the department fails to~~
11 ~~provide notice as required under this subsection, no hearing~~
12 ~~shall be scheduled. A request for a hearing submitted by one~~
13 ~~party shall afford both parties the opportunity for a hearing.~~

14 ~~***~~

15 ~~(d.7) Compromise settlement. The following apply:~~

16 ~~(1) The board shall establish procedures to facilitate~~
17 ~~the compromise settlement of issues on appeal. A compromise~~
18 ~~settlement shall be ordered by the board only with the~~
19 ~~agreement of both the petitioner and the department. The~~
20 ~~provisions of section 2707(c) shall be applicable to~~
21 ~~compromise settlements under this section.~~

22 ~~(2) A compromise settlement may be submitted to the~~
23 ~~board at any time before the board's decision and order,~~
24 ~~including after the board grants reconsideration of a~~
25 ~~decision and order.~~

26 ~~(3) If a payment is due to the department under a~~
27 ~~compromise settlement, the petitioner shall pay the liability~~
28 ~~due within 60 days of the date of a notice from the~~
29 ~~department specifying the board's decision and order. If the~~
30 ~~petitioner fails to pay the liability due within 60 days of~~

~~the date of a notice from the department specifying the board's decision and order, the decision or order shall be void and, upon notice by the department, the board shall issue a decision and order denying the petition.~~

~~(4) Notwithstanding any other provision of this section, if the parties are negotiating a compromise settlement, both parties may request and the board may extend the time period for disposing the petition.~~

~~(e) [Decision and order. The board shall issue a decision and order in writing disposing of a petition on any basis as it deems to be in accordance with law and equity. A decision and order shall include the conclusions reached and the facts on which the decision was based. The decision and order shall be approved by a majority of the board. A copy of the decision and order and any dissenting opinion shall be sent to the petitioner utilizing the method identified by the petitioner and by electronic means to the department.]~~ Types of claims. The following apply:

~~(1) All petitions in which, in the aggregate, the contested tax does not exceed the threshold amount under paragraph (3), shall be addressed by the board as a summary claim unless the petitioner or department elects to treat the petition as a standard claim. A summary claim shall be addressed by the board under the following procedures:~~

~~(i) Upon the filing of a summary claim, the board shall issue a notice of intent to resolve the claim summarily to the petitioner and the department.~~

~~(ii) The petitioner or the department shall be afforded 60 days from the mailing date of the notice under subparagraph (i) to make an election to treat as a~~

1 ~~standard claim.~~

2 ~~(iii) If the board does not receive an election~~
3 ~~prior to the expiration of the 60 day period under~~
4 ~~subparagraph (ii), the board shall address the petition~~
5 ~~as a summary claim.~~

6 ~~(iv) The board shall issue an order in writing~~
7 ~~disposing of a petition under this paragraph on any basis~~
8 ~~as it deems to be in accordance with law and equity. The~~
9 ~~order shall include the conclusions reached and the facts~~
10 ~~on which the decision was based. An order disposing of a~~
11 ~~petition must be approved by a majority of board members.~~
12 ~~A copy of an order, including any dissenting opinions,~~
13 ~~shall be sent to the petitioner utilizing the method~~
14 ~~identified by the petitioner and to the department by~~
15 ~~electronic means.~~

16 ~~(v) A summary claim order shall not be appealable,~~
17 ~~be published on the board's publicly accessible Internet~~
18 ~~website subject to ex parte communications prohibitions~~
19 ~~or be precedent under section 210 of the act of December~~
20 ~~20, 1996 (P.L.1504, No.195), known as the Taxpayers' Bill~~
21 ~~of Rights.~~

22 ~~(2) All petitions in which, in the aggregate, the~~
23 ~~contested tax is in excess of the threshold amount~~
24 ~~established under paragraph (3), shall be addressed by the~~
25 ~~board as a standard claim. A standard claim shall be~~
26 ~~addressed by the board under the following procedures:~~

27 ~~(i) The board shall issue an order in writing~~
28 ~~disposing of a petition on any basis as it deems in~~
29 ~~accordance with law and equity. The order shall include~~
30 ~~the conclusions reached and the facts on which the~~

~~1 decision was based. The decision and order must be
2 approved by a majority of the board members. A copy of
3 the decision and order, including any dissenting
4 opinions, shall be sent to the petitioner utilizing the
5 method identified by the petitioner and to the department
6 by electronic means.~~

~~7 (ii) A standard claim order based in equity shall
8 not be precedent under section 210 of the Taxpayers' Bill
9 of Rights.~~

~~10 (3) The threshold amount shall be \$6,000 for determining
11 whether a petition shall be treated as a standard claim or
12 summary claim.~~

~~13 (f) Time limit for decision and order.—~~

~~14 (1) Except as provided in paragraphs (2) and (3), the
15 board shall issue a decision and order disposing of a
16 petition within six months after receipt of the petition.
17 Upon the request of the petitioner or the department, the
18 board may extend the time period for the board to dispose of
19 the petition for one additional six month period.~~

~~20 (2) If at [the] any time [of the filing of] a petition
21 is under the jurisdiction of the board and proceedings are
22 pending in a court of competent jurisdiction in which any
23 claim made in the petition may be established, the board,
24 upon the written request of the petitioner [may,] or
25 department, shall defer consideration of the petition until
26 the expiration date of the appeal period from the final
27 judgment of the court of highest jurisdiction determining the
28 question or questions involved in the petition has been
29 decided. If consideration of the petition is deferred, the
30 board shall issue a decision and order disposing of the~~

1 ~~petition within six months after the final judgment.~~

2 ~~(3) If a matter pending before the board would be~~
3 ~~materially affected by an audit or other proceeding before~~
4 ~~the Internal Revenue Service or by an audit or other~~
5 ~~proceeding conducted by the Commonwealth or another state,~~
6 ~~the board, upon the written request of the petitioner, may~~
7 ~~defer consideration of the petition until such time as the~~
8 ~~other audit or proceeding is completed. If consideration of~~
9 ~~the petition is deferred, the board shall issue a decision~~
10 ~~and order disposing of the petition within six months after~~
11 ~~the audit or other proceeding is final.~~

12 ~~***~~

13 ~~(h) Publication of decisions.—~~

14 ~~(1) The board shall publish each decision, along with~~
15 ~~any dissenting opinion, which grants or denies in whole or in~~
16 ~~part a petition for review or a petition for refund.~~

17 ~~(2) Prior to publication of a decision, the board shall~~
18 ~~edit the decision to redact the following:~~

19 ~~(i) Information identified by the petitioner as and~~
20 ~~that meets the definition of a trade secret or~~
21 ~~confidential proprietary information as defined in~~
22 ~~section 102 of the act of February 14, 2008 (P.L.6,~~
23 ~~No.3), known as the Right to Know Law.~~

24 ~~(ii) An individual's Social Security number, home~~
25 ~~address, driver's license number, personal financial~~
26 ~~information as defined in section 102 of the Right to~~
27 ~~Know Law, home, cellular or personal telephone numbers,~~
28 ~~personal e-mail addresses, employee number or other~~
29 ~~confidential personal identification number and a record~~
30 ~~identifying the name, home address or date of birth of a~~

1 ~~child 17 years of age or younger.~~

2 ~~(iii) Specific dollar amounts of tax.~~

3 ~~(iv) Information pursuant to the Right to Know Law.~~

4 ~~(3) The disclosure of any remaining information,~~
5 ~~including the name of the taxpayer and the nature of the~~
6 ~~taxpayer's business, shall be deemed not to violate any~~
7 ~~provision of law to the contrary, including:~~

8 ~~(i) Sections 274, 353 and 408.~~

9 ~~(ii) 18 Pa.C.S. § 7326 (relating to disclosure of~~
10 ~~confidential tax information).~~

11 ~~(iii) Section 731 of the act of April 9, 1929~~
12 ~~(P.L.343, No.176), known as The Fiscal Code.~~

13 ~~(4) Decisions shall be indexed and published on a~~
14 ~~publicly accessible Internet website maintained by the board.~~

15 ~~(5) For summary claims, the board shall compile and~~
16 ~~publish an annual report identifying the number of petitions~~
17 ~~addressed as summary claims and the aggregate amount refunded~~
18 ~~or reassessed.~~

19 ~~(h.1) Corrective decisions and orders. If a final~~
20 ~~decision and order of the board contains a significant~~
21 ~~administrative or calculation error, the board may issue a~~
22 ~~corrective decision and order if both the petitioner and the~~
23 ~~department agree in writing to permit the board to issue the~~
24 ~~corrective decision and order. The corrective decision and~~
25 ~~order must be issued within one year of the date of the~~
26 ~~previous decision and order.~~

27 ~~(h.2) Payments or credits. A decision and order of the~~
28 ~~board shall not address the application of payments or~~
29 ~~credits to a petitioner's account unless the application is~~
30 ~~agreed to in a compromise between the parties.~~

1 * * *

2 Section 16.1. ~~The act is amended by adding an article to~~
3 ~~read:~~

4 ~~ARTICLE XXVIII~~

5 ~~TOBACCO MASTER SETTLEMENT PAYMENT~~

6 ~~REVENUE BONDS~~

7 ~~Section 2801. Definitions.~~

8 ~~The following words and phrases when used in this article~~
9 ~~shall have the meanings given to them in this section unless the~~
10 ~~context clearly indicates otherwise:~~

11 ~~"Account." The Tobacco Revenue Bond Debt Service Account~~
12 ~~established in section 2805.~~

13 ~~"Annual payment." A payment received by the Commonwealth~~
14 ~~under section IX(c)(1) of the Master Settlement Agreement.~~

15 ~~"Authority." The Commonwealth Financing Authority~~
16 ~~established under 64 Pa.C.S. Ch. 15 (relating to Commonwealth~~
17 ~~Financing Authority).~~

18 ~~"Finance." The issuance of revenue bonds utilizing a portion~~
19 ~~of annual payments due to the Commonwealth under the Master~~
20 ~~Settlement Agreement.~~

21 ~~"Fund." The Tobacco Settlement Fund established in section~~
22 ~~1712 A.1 of the act of April 9, 1929 (P.L.343, No.176), known as~~
23 ~~The Fiscal Code.~~

24 ~~"Master Settlement Agreement." The settlement agreement and~~
25 ~~related documents entered into on November 23, 1998, by the~~
26 ~~Commonwealth and leading United States tobacco product~~
27 ~~manufacturers approved by the Court of Common Pleas,~~
28 ~~Philadelphia County, on January 13, 1999.~~

29 ~~"Office." The Governor's Office of the Budget.~~

30 ~~"Secretary." The Secretary of the Budget of the~~

1 ~~Commonwealth.~~

2 ~~"Tobacco Settlement Act." The act of June 26, 2001 (P.L.755,~~
3 ~~No.77), known as the Tobacco Settlement Act.~~

4 ~~Section 2802. Bond issuance.~~

5 ~~(a) Declaration of policy. The General Assembly finds and~~
6 ~~declares that:~~

7 ~~(1) The Commonwealth experienced a revenue deficit of~~
8 ~~\$1,106,700,308 in General Fund revenue collections for fiscal~~
9 ~~year 2016-2017.~~

10 ~~(2) The Commonwealth's General Fund continues to~~
11 ~~experience a structural deficit where annual expenditures~~
12 ~~exceed recurring revenue collections.~~

13 ~~(3) The General Fund for fiscal year 2016-2017 revenue~~
14 ~~shortfall in combination with the structural deficit,~~
15 ~~increased expenditure needs and increased tax refunds~~
16 ~~resulted in a significant negative ending balance in the~~
17 ~~General Fund of approximately \$1,539,000,000 for fiscal year~~
18 ~~2016-2017.~~

19 ~~(4) A significant portion of the Commonwealth's General~~
20 ~~Fund annual expenditures are dedicated to the protection of~~
21 ~~the health, safety and general welfare of the people of this~~
22 ~~Commonwealth and the furtherance of economic development and~~
23 ~~efficiency within this Commonwealth by providing basic~~
24 ~~services and facilities.~~

25 ~~(5) The ability of the Commonwealth to provide for the~~
26 ~~protection of the health, safety and general welfare of the~~
27 ~~people of this Commonwealth and the provision of basic~~
28 ~~services and facilities is jeopardized by the General Fund~~
29 ~~for fiscal year 2016-2017 revenue deficit and the continuing~~
30 ~~structural deficit.~~

1 ~~(6) The provisions of 64 Pa.C.S. Ch. 15 (relating to~~
2 ~~Commonwealth Financing Authority) are entitled to liberal~~
3 ~~construction in order to effect legislative and public~~
4 ~~purposes.~~

5 ~~(7) One of the stated purposes of 64 Pa.C.S. Ch. 15 is~~
6 ~~the protection of "the health, safety and general welfare of~~
7 ~~the people of this Commonwealth and to further encourage~~
8 ~~economic development and efficiency within this Commonwealth~~
9 ~~by providing basic services and facilities," and "it is~~
10 ~~necessary to provide additional or alternate means of~~
11 ~~financing infrastructure facilities, transportation systems,~~
12 ~~industrial parks, energy conversion facilities, facilities~~
13 ~~for the furnishing of energy, water and telecommunications,~~
14 ~~facilities for the collection or treatment of wastewater and~~
15 ~~storm water, tourism, parking facilities, health care~~
16 ~~facilities and other basic service and related facilities~~
17 ~~which are conducive to economic activity within this~~
18 ~~Commonwealth" under 64 Pa.C.S. § 1503(6) (relating to~~
19 ~~findings and declaration of policy).~~

20 ~~(8) The Tobacco Settlement Fund is a special revenue~~
21 ~~fund established for the purpose of providing funding for~~
22 ~~various Commonwealth programs.~~

23 ~~(9) Utilizing a portion of annual payments received~~
24 ~~through the Master Settlement Agreement and deposited in the~~
25 ~~Tobacco Settlement Fund to leverage funding to offset the~~
26 ~~effect of the fiscal year 2016-2017 revenue deficit and the~~
27 ~~structural deficit is in the best interest of the~~
28 ~~Commonwealth to provide General Fund budgetary relief~~
29 ~~necessary for the protection of the health, safety and~~
30 ~~general welfare of the people of this Commonwealth and the~~

1 ~~provision of basic services and facilities.~~

2 ~~(b) Authority. Notwithstanding any other law, the authority~~
3 ~~shall establish a program to issue bonds on behalf of the~~
4 ~~Commonwealth, the proceeds of which shall be deposited in the~~
5 ~~General Fund to provide General Fund budgetary relief necessary~~
6 ~~for the protection of the health, safety and general welfare of~~
7 ~~the people of this Commonwealth and the furtherance of economic~~
8 ~~development and efficiency within this Commonwealth by providing~~
9 ~~basic services and facilities.~~

10 ~~(c) Debt or liability.~~

11 ~~(1) Bonds issued under this article shall not be a debt~~
12 ~~or liability of the Commonwealth and shall not create or~~
13 ~~constitute an indebtedness, liability or obligation of the~~
14 ~~Commonwealth.~~

15 ~~(2) Bond obligations shall be payable solely from~~
16 ~~revenues or funds pledged or available for repayment as~~
17 ~~authorized under this article.~~

18 ~~(3) Each bond must contain on its face a statement that:~~

19 ~~(i) The authority is obligated to pay the principal~~
20 ~~of or interest on the bonds only from the revenues or~~
21 ~~funds pledged or available for repayment as authorized~~
22 ~~under this article.~~

23 ~~(ii) The Commonwealth shall not be obligated to pay~~
24 ~~the principal of or interest on the bonds.~~

25 ~~(iii) The full faith and credit of the Commonwealth~~
26 ~~is not pledged to the payment of the principal of or the~~
27 ~~interest on the bonds.~~

28 ~~Section 2803. Limitations on bond issuance.~~

29 ~~(a) Maximum principal amount. The authority may issue bonds~~
30 ~~under this article in a maximum aggregate principal amount~~

1 ~~sufficient to raise net proceeds of \$1,300,000,000, unless the~~
2 ~~authority and the office determine this amount is insufficient~~
3 ~~to carry out the purposes of this article, then the authority~~
4 ~~shall adopt a resolution to petition the secretary to increase~~
5 ~~the maximum aggregate principal amount. The secretary may~~
6 ~~approve the petition and, if approved, shall publish notice of~~
7 ~~the approval in the Pennsylvania Bulletin.~~

8 ~~(b) Limitation. The authority shall not issue any bonds~~
9 ~~under this article, except refunding bonds, after June 30, 2019.~~
10 ~~The authority, in consultation with the office, shall determine~~
11 ~~the principal amounts of taxable bonds and tax exempt bonds to~~
12 ~~be issued during fiscal years 2017-2018 and 2018-2019.~~

13 ~~(c) Refunding bonds. Notwithstanding any other limitation,~~
14 ~~the authority, at the request of the secretary, may issue~~
15 ~~refunding bonds at any time while bonds issued under this~~
16 ~~article are outstanding, provided that the final maturity of a~~
17 ~~series of bonds being refunded shall not be extended.~~

18 ~~(d) Interest. Interest on bonds issued under this article~~
19 ~~and refunding bonds authorized under this section shall be~~
20 ~~payable at the time or times the authority determines in the~~
21 ~~resolution authorizing the bonds and shall otherwise be subject~~
22 ~~to the other provisions of the 64 Pa.C.S. Ch. 15 (relating to~~
23 ~~Commonwealth Financing Authority). Interest may be capitalized~~
24 ~~for a period not to exceed two years.~~

25 ~~(e) Debt limitations. The aggregate principal amount of~~
26 ~~bonds specified in this section shall not be subject to the debt~~
27 ~~limitations specified in 64 Pa.C.S. § 1543 (relating to~~
28 ~~indebtedness).~~

29 ~~(f) Term of bonds. The term of the bonds issued under this~~
30 ~~article may not exceed 30 years.~~

1 ~~Section 2804. Finance pledge.~~

2 ~~(a) Annual payments.~~

3 ~~(1) Annual payments received under the Master Settlement~~
4 ~~Agreement are pledged by the Commonwealth in the amount~~
5 ~~certified by the secretary under paragraph (2) for payment of~~
6 ~~principal and interest for bonds issued by the authority~~
7 ~~under this article.~~

8 ~~(2) The secretary shall certify the amount of annual~~
9 ~~payments necessary to be pledged for payment of principal and~~
10 ~~interest for bonds issued by the authority under this article~~
11 ~~prior to the issuance of bonds under this article. The~~
12 ~~certification shall be published as a notice in the~~
13 ~~Pennsylvania Bulletin.~~

14 ~~(b) General revenues.~~

15 ~~(1) The Commonwealth may pledge from the general~~
16 ~~revenues of the Commonwealth the second dollar of revenues~~
17 ~~collected by the Commonwealth under Article II for the~~
18 ~~payment of principal and interest for the bonds issued by the~~
19 ~~authority under this article. A pledge made under this~~
20 ~~subsection shall be subordinate to the pledge of Article II~~
21 ~~revenues made in section 1753.1 E of the act of April 9, 1929~~
22 ~~(P.L.343, No.176), known as The Fiscal Code.~~

23 ~~(2) The secretary shall certify the annual amount of~~
24 ~~general revenues to be pledged to supplement amounts pledged~~
25 ~~under subsection (a) for payment of principal and interest~~
26 ~~for bonds issued by the authority under this article prior to~~
27 ~~the issuance of bonds under this article. The certification~~
28 ~~shall be published as a notice in the Pennsylvania Bulletin.~~

29 ~~(3) A pledge under this subsection may be primary~~
30 ~~security or subordinate to amounts pledged in subsection (a).~~

1 ~~Section 2805. Tobacco Revenue Bond Debt Service Account.~~

2 ~~(a) Establishment. There is established in the State~~
3 ~~Treasury a restricted account in the General Fund to be known as~~
4 ~~the Tobacco Revenue Bond Debt Service Account.~~

5 ~~(b) Annual payments. The amount of each annual payment~~
6 ~~received under the Master Settlement Agreement and pledged by~~
7 ~~the Commonwealth under section 2804 and certified by the~~
8 ~~secretary for the payment of principal and interest for bonds~~
9 ~~issued under this article shall be deposited in the account upon~~
10 ~~receipt of each annual payment.~~

11 ~~(c) General revenue. General revenues pledged by the~~
12 ~~Commonwealth in section 2804 and certified by the secretary for~~
13 ~~the payment of principal and interest for bonds issued under~~
14 ~~this article shall be deposited in amounts determined by the~~
15 ~~secretary.~~

16 ~~(d) Payments on bonds. Payments of principal and interest~~
17 ~~due on the bonds shall be made from the account.~~

18 ~~Section 2806. Service agreement authorized.~~

19 ~~(a) Authorization. The authority and the office may enter~~
20 ~~into an agreement or service agreement to effectuate the~~
21 ~~purposes of this article, including an agreement to secure bonds~~
22 ~~issued under this article, under which the secretary shall agree~~
23 ~~to pay service charges to the authority in each fiscal year that~~
24 ~~the bonds or refunding bonds are outstanding in amounts~~
25 ~~sufficient to timely pay in full the debt service and any other~~
26 ~~financing costs due on the bonds issued under this article.~~

27 ~~(b) Payment of service charges. The office's payment of any~~
28 ~~service charges shall be subject to and dependent upon approval~~
29 ~~by the authority and the appropriation of funds by the General~~
30 ~~Assembly to the office for payment of any service charges.~~

1 ~~(c) Amendment of agreement. The service agreement may be~~
2 ~~amended or supplemented by the authority and the office in~~
3 ~~connection with the issuance of a series of bonds or refunding~~
4 ~~bonds authorized in this section.~~

5 ~~Section 2807. Deposit of bond proceeds.~~

6 ~~The net proceeds of bonds, other than refunding bonds,~~
7 ~~exclusive of costs of issuance, reserves and other financing~~
8 ~~charges, shall be transferred by the authority to the State~~
9 ~~Treasurer for deposit into the General Fund and shall be~~
10 ~~available for expenditure as provided in this article upon~~
11 ~~appropriation by the General Assembly.~~

12 ~~Section 2808. Limitation on appropriations.~~

13 ~~The amount of annual payments from the Master Settlement~~
14 ~~Agreement that are pledged and certified by the secretary under~~
15 ~~section 2804 for the payment of principal and interest for bonds~~
16 ~~issued under this article shall not be subject to appropriation~~
17 ~~under section 1713 A.1 of the act of April 9, 1929 (P.L.343,~~
18 ~~No.176), known as The Fiscal Code.~~

19 ~~Section 17. Section 3003.6 of the act is amended to read:~~

20 ~~Section 3003.6. Timely Filing. The following apply:~~

21 ~~(1) A taxpayer shall be deemed to have timely filed a~~
22 ~~petition for reassessment or any other protest relating to the~~
23 ~~assessment of tax or any other matter relating to any tax~~
24 ~~imposed by this act if the letter transmitting the petition is~~
25 ~~received by the Department of Revenue or is postmarked by the~~
26 ~~United States Postal Service on or prior to the final day on~~
27 ~~which the petition is required to be filed.~~

28 ~~(2) For purposes of filing a petition for refund, a petition~~
29 ~~for reassessment or a petition for redetermination with either~~
30 ~~the Department of Revenue or the Board of Finance and Revenue,~~

~~1 a letter postmarked by the United States Postal Service under
2 paragraph (2) shall include any date recorded or marked as
3 described under section 7502(f)(2) of the Internal Revenue Code
4 of 1986 (Public Law 99-514, 26 U.S.C. § 7502(f)(2)).~~

~~5 Section 18. If all or a part of the net loss deduction under
6 section 401(3)4(c) of the act has been deemed unconstitutional
7 as a result of a decision by the Pennsylvania Supreme Court, the
8 Secretary of Revenue shall submit a notice of the decision for
9 publication in the Pennsylvania Bulletin.~~

~~10 Section 19. Severability is as follows:~~

~~11 If section 2403 A or any provision of Article XXIV B or
12 XXIV C of the act, as added by this act, is held invalid, the
13 remaining provisions of Article XXIV A of the act, as added
14 by this act, are void.~~

~~15 Section 20. This act shall apply as follows:~~

~~16 (1) The tax imposed under section 2202 of the act shall
17 apply to transactions occurring at least 30 days after the
18 effective date of this paragraph.~~

~~19 (2) The amendment or addition of the following
20 provisions of the acts shall apply to petitions for refunds,
21 petitions for reassessments and petitions for
22 redeterminations filed with the department on or after 60
23 days from the effective date of this section:~~

~~24 (i) Section 2702(a) and (a.1).~~

~~25 (ii) Section 2703(e), (e.1) and (f).~~

~~26 (iii) Section 2704(a), (b), (d.2), (d.3), (d.5),
27 (d.7), (e), (f), (h), (h.1) and (h.2).~~

~~28 Section 21. Repeals are as follows:~~

~~29 (1) The General Assembly declares that the repeal under
30 paragraph (2) is necessary to effectuate the addition of~~

1 ~~Subarticle E of Article XVII D.~~

2 ~~(2) 12 Pa.C.S. Ch. 33 is repealed.~~

3 ~~(3) The General Assembly declares that the repeal under~~
4 ~~paragraph (4) is necessary to effectuate the addition of~~
5 ~~Article XXIV of the act.~~

6 ~~(4) The act of May 15, 1939 (P.L.134, No.65), referred~~
7 ~~to as the Fireworks Law, is repealed.~~

8 ~~(5) The General Assembly declares that the repeal under~~
9 ~~paragraph (6) is necessary to effectuate the addition of~~
10 ~~Article XXIV A of the act.~~

11 ~~(6) 58 Pa.C.S. § 2318 is repealed.~~

12 ~~(7) The General Assembly declares that the repeal under~~
13 ~~paragraph (8) is necessary to effectuate the amendment of~~
14 ~~section 3003.6 of the act.~~

15 ~~(8) Section 1102.1 of the act of April 9, 1929 (P.L.343,~~
16 ~~No.176), known as The Fiscal Code, is repealed.~~
17 ~~Section 22. This act shall take effect as follows:~~

18 ~~(1) The following provisions shall take effect in 60~~
19 ~~days:~~

20 ~~(i) The addition of section 401(3)4(c.1) of the act.~~

21 ~~(ii) The addition of Part IV A of Article IV of the~~
22 ~~act.~~

23 ~~(iii) The addition of the definitions of~~
24 ~~"deteriorated property" and "film production tax credit~~
25 ~~district" in section 1711 D of the act.~~

26 ~~(iv) The addition of section 1712 D(b.1).~~

27 ~~(v) The addition of section 1716.2 D of the act.~~

28 ~~(vi) The addition of Article XXIV of the act.~~

29 ~~(vii) The addition of section 2403 A of the act.~~

30 ~~(viii) The amendment of section 2702(a) and (a.1) of~~

1 ~~the act.~~

2 ~~(ix) The amendment or addition of section 2703(e),~~
3 ~~(e.1) and (f) of the act.~~

4 ~~(x) The amendment or addition of section 2704(a),~~
5 ~~(b), (d.2), (d.3), (d.5), (d.7), (e), (f), (h), (h.1) and~~
6 ~~(h.2) of the act.~~

7 ~~(xi) Section 21(3) and (4) of this act.~~

8 ~~(2) The following provisions shall take effect in 90-~~
9 ~~days:~~

10 ~~(i) The addition of Article XXIV C of the act.~~

11 ~~(ii) (Reserved).~~

12 ~~(3) The following provisions shall take effect in 120-~~
13 ~~days:~~

14 ~~(i) The addition of Article XXIV B of the act.~~

15 ~~(ii) (Reserved).~~

16 ~~(4) The following provisions shall take effect August 1,~~
17 ~~2017, or immediately, whichever is later:~~

18 ~~(i) The amendment or addition of section 1101(a)~~
19 ~~introductory paragraph, (b) heading and introductory~~
20 ~~paragraph, (b.2), (c), (c.1), (e), (f), (f.1), (j.1) and~~
21 ~~(j.2) of the act.~~

22 ~~(ii) The addition of Parts V and VI of Article XI of~~
23 ~~the act.~~

24 ~~(5) (Reserved).~~

25 ~~(6) The following provisions shall take effect in 365-~~
26 ~~days:~~

27 ~~(i) The amendment of the definition of "contracting~~
28 ~~authority" in section 1902 B of the act.~~

29 ~~(ii) The addition of section 1904.3 B of the act.~~

30 ~~(7) The amendment or addition of section 401(3)4(c)(1)~~

1 ~~(A) (VI), (VII) and (VIII) and (2) (B) (VII) and (VIII) of the~~
2 ~~act shall take effect on the date of the publication of the~~
3 ~~notice under section 18 of this act.~~

4 ~~(8) The following provisions shall take effect~~
5 ~~immediately:~~

6 ~~(i) This section.~~

7 ~~(ii) The remainder of this act.~~

8 SECTION 1. SECTION 201(M) OF THE ACT OF MARCH 4, 1971 <--
9 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, AMENDED
10 JULY 13, 2016 (P.L.526, NO.84), ARE AMENDED TO READ:

11 SECTION 201. DEFINITIONS.--THE FOLLOWING WORDS, TERMS AND
12 PHRASES WHEN USED IN THIS ARTICLE II SHALL HAVE THE MEANING
13 ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT
14 CLEARLY INDICATES A DIFFERENT MEANING:

15 * * *

16 (M) "TANGIBLE PERSONAL PROPERTY."

17 (1) CORPOREAL PERSONAL PROPERTY INCLUDING, BUT NOT LIMITED
18 TO, GOODS, WARES, MERCHANDISE, STEAM AND NATURAL AND
19 MANUFACTURED AND BOTTLED GAS FOR NON-RESIDENTIAL USE,
20 ELECTRICITY FOR NON-RESIDENTIAL USE, PREPAID TELECOMMUNICATIONS,
21 PREMIUM CABLE OR PREMIUM VIDEO PROGRAMMING SERVICE, SPIRITUOUS
22 OR VINOUS LIQUOR AND MALT OR BREWED BEVERAGES AND SOFT DRINKS,
23 INTERSTATE TELECOMMUNICATIONS SERVICE ORIGINATING OR TERMINATING
24 IN THE COMMONWEALTH AND CHARGED TO A SERVICE ADDRESS IN THIS
25 COMMONWEALTH, INTRASTATE TELECOMMUNICATIONS SERVICE WITH THE
26 EXCEPTION OF (I) SUBSCRIBER LINE CHARGES AND BASIC LOCAL
27 TELEPHONE SERVICE FOR RESIDENTIAL USE AND (II) CHARGES FOR
28 TELEPHONE CALLS PAID FOR BY INSERTING MONEY INTO A TELEPHONE
29 ACCEPTING DIRECT DEPOSITS OF MONEY TO OPERATE, PROVIDED FURTHER,
30 THE SERVICE ADDRESS OF ANY INTRASTATE TELECOMMUNICATIONS SERVICE

1 IS DEEMED TO BE WITHIN THIS COMMONWEALTH OR WITHIN A POLITICAL
2 SUBDIVISION, REGARDLESS OF HOW OR WHERE BILLED OR PAID. IN THE
3 CASE OF ANY SUCH INTERSTATE OR INTRASTATE TELECOMMUNICATIONS
4 SERVICE, ANY CHARGE PAID THROUGH A CREDIT OR PAYMENT MECHANISM
5 WHICH DOES NOT RELATE TO A SERVICE ADDRESS, SUCH AS A BANK,
6 TRAVEL, CREDIT OR DEBIT CARD, BUT NOT INCLUDING PREPAID
7 TELECOMMUNICATIONS, IS DEEMED ATTRIBUTABLE TO THE ADDRESS OF
8 ORIGINATION OF THE TELECOMMUNICATIONS SERVICE.

9 (2) THE TERM SHALL INCLUDE THE FOLLOWING, WHETHER
10 ELECTRONICALLY OR DIGITALLY DELIVERED, STREAMED OR ACCESSED AND
11 WHETHER PURCHASED SINGLY, BY SUBSCRIPTION OR IN ANY OTHER
12 MANNER, INCLUDING MAINTENANCE[,] AND UPDATES [AND SUPPORT]:

13 (I) VIDEO;

14 (II) PHOTOGRAPHS;

15 (III) BOOKS;

16 (IV) ANY OTHER OTHERWISE TAXABLE PRINTED MATTER;

17 (V) APPLICATIONS, COMMONLY KNOWN AS APPS;

18 (VI) GAMES;

19 (VII) MUSIC;

20 (VIII) ANY OTHER AUDIO, INCLUDING SATELLITE RADIO SERVICE;

21 (IX) CANNED SOFTWARE, NOTWITHSTANDING THE FUNCTION
22 PERFORMED, INCLUDING SUPPORT, EXCEPT SEPARATELY INVOICED HELP
23 DESK OR CALL CENTER SUPPORT; OR

24 (X) ANY OTHER OTHERWISE TAXABLE TANGIBLE PERSONAL PROPERTY
25 ELECTRONICALLY OR DIGITALLY DELIVERED, STREAMED OR ACCESSED.

26 * * *

27 SECTION 2. SECTION 202 (A) OF THE ACT IS AMENDED TO READ:

28 SECTION 202. IMPOSITION OF TAX.-- (A) THERE IS HEREBY
29 IMPOSED UPON EACH SEPARATE SALE AT RETAIL OF TANGIBLE PERSONAL
30 PROPERTY OR SERVICES, AS DEFINED HEREIN, WITHIN THIS

1 COMMONWEALTH A TAX OF SIX PER CENT OF THE PURCHASE PRICE, WHICH
2 TAX SHALL BE COLLECTED BY THE VENDOR OR ANY OTHER PERSON
3 REQUIRED BY THIS ARTICLE FROM THE PURCHASER, AND SHALL BE PAID
4 OVER TO THE COMMONWEALTH AS HEREIN PROVIDED.

5 * * *

6 SECTION 3. SECTION 204(13) OF THE ACT, AMENDED JULY 13, 2016
7 (P.L.526, NO.84), IS AMENDED TO READ:

8 SECTION 204. EXCLUSIONS FROM TAX.--THE TAX IMPOSED BY
9 SECTION 202 SHALL NOT BE IMPOSED UPON ANY OF THE FOLLOWING:

10 * * *

11 (13) THE SALE AT RETAIL, OR USE OF WRAPPING PAPER, WRAPPING
12 TWINE, BAGS, CARTONS, TAPE, ROPE, LABELS, NONRETURNABLE
13 CONTAINERS [AND], ALL OTHER WRAPPING SUPPLIES AND KEGS USED TO
14 CONTAIN MALT OR BREWED BEVERAGES, WHEN SUCH USE IS INCIDENTAL TO
15 THE DELIVERY OF ANY PERSONAL PROPERTY, EXCEPT THAT ANY CHARGE
16 FOR WRAPPING OR PACKAGING SHALL BE SUBJECT TO TAX AT THE RATE
17 IMPOSED BY SECTION 202, UNLESS THE PROPERTY WRAPPED OR PACKAGED
18 WILL BE RESOLD BY THE PURCHASER OF THE WRAPPING OR PACKAGING
19 SERVICE. AS USED IN THIS PARAGRAPH, THE TERM "CARTONS" INCLUDES
20 CORRUGATED BOXES USED BY A PERSON ENGAGED IN THE MANUFACTURE OF
21 SNACK FOOD PRODUCTS TO DELIVER THE MANUFACTURED PRODUCT, WHETHER
22 OR NOT THE BOXES ARE RETURNABLE FOR POTENTIAL REUSE.

23 * * *

24 SECTION 4. ARTICLE II OF THE ACT IS AMENDED BY ADDING A PART
25 TO READ:

26 PART V-A

27 MARKETPLACE SALES

28 SECTION 213. DEFINITIONS.--FOR THE PURPOSES OF THIS PART V-A
29 ONLY, THE FOLLOWING WORDS, TERMS AND PHRASES SHALL HAVE THE
30 MEANING ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE

1 CONTEXT CLEARLY INDICATES A DIFFERENT MEANING:

2 (A) "AFFILIATED PERSON." A PERSON THAT, WITH RESPECT TO
3 ANOTHER PERSON:

4 (1) HAS A DIRECT OR INDIRECT OWNERSHIP INTEREST OF MORE THAN
5 FIVE PERCENT IN THE OTHER PERSON; OR

6 (2) IS RELATED TO THE OTHER PERSON BECAUSE A THIRD PERSON,
7 OR GROUP OF THIRD PERSONS WHO ARE AFFILIATED WITH EACH OTHER AS
8 DEFINED IN THIS SUBSECTION, HOLDS A DIRECT OR INDIRECT OWNERSHIP
9 INTEREST OF MORE THAN FIVE PERCENT IN THE RELATED PERSON.

10 (B) "FORUM." A PLACE WHERE SALES AT RETAIL OCCUR, WHETHER
11 PHYSICAL OR ELECTRONIC. THE TERM INCLUDES A STORE, A BOOTH, A
12 PUBLICLY ACCESSIBLE INTERNET WEBSITE, A CATALOG OR SIMILAR
13 PLACE.

14 (C) "MARKETPLACE FACILITATOR." A PERSON THAT FACILITATES
15 THE SALE AT RETAIL OF TANGIBLE PERSONAL PROPERTY. FOR PURPOSES
16 OF THIS SECTION, A PERSON FACILITATES A SALE AT RETAIL IF THE
17 PERSON OR AN AFFILIATED PERSON:

18 (1) LISTS OR ADVERTISES TANGIBLE PERSONAL PROPERTY FOR SALE
19 AT RETAIL IN ANY FORUM; AND

20 (2) EITHER DIRECTLY OR INDIRECTLY THROUGH AGREEMENTS OR
21 ARRANGEMENTS WITH THIRD PARTIES, COLLECTS THE PAYMENT FROM THE
22 PURCHASER AND TRANSMITS THE PAYMENT TO THE PERSON SELLING THE
23 PROPERTY.

24 THE TERM INCLUDES A PERSON THAT MAY ALSO BE A VENDOR.

25 (D) "MARKETPLACE SELLER." A PERSON THAT HAS AN AGREEMENT
26 WITH A MARKETPLACE FACILITATOR PURSUANT TO WHICH THE MARKETPLACE
27 FACILITATOR FACILITATES SALES FOR THE PERSON.

28 (E) "NOTICE AND REPORTING REQUIREMENTS." THE NOTICE
29 REQUIREMENTS UNDER SECTION 213.2 AND THE REPORTING REQUIREMENTS
30 UNDER SECTIONS 213.3 AND 213.4.

1 (F) "REFERRAL." THE TRANSFER BY A REFERRER OF A POTENTIAL
2 PURCHASER TO A PERSON THAT ADVERTISES OR LISTS PRODUCTS FOR SALE
3 ON THE REFERRER'S PLATFORM.

4 (G) "REFERRER." A PERSON, OTHER THAN A PERSON ENGAGING IN
5 THE BUSINESS OF PRINTING OR PUBLISHING A NEWSPAPER, THAT,
6 PURSUANT TO AN AGREEMENT OR ARRANGEMENT WITH A MARKETPLACE
7 SELLER OR REMOTE SELLER, DOES THE FOLLOWING:

8 (1) AGREES TO LIST OR ADVERTISE FOR SALE AT RETAIL ONE OR
9 MORE PRODUCTS OF THE MARKETPLACE SELLER OR REMOTE SELLER IN A
10 PHYSICAL OR ELECTRONIC MEDIUM.

11 (2) RECEIVES CONSIDERATION FROM THE MARKETPLACE SELLER OR
12 REMOTE SELLER FROM THE SALE OFFERED IN THE LISTING OR
13 ADVERTISEMENT.

14 (3) TRANSFERS BY TELECOMMUNICATIONS, INTERNET LINK OR OTHER
15 MEANS, A PURCHASER TO A MARKETPLACE SELLER, REMOTE SELLER OR
16 AFFILIATED PERSON TO COMPLETE A SALE.

17 (4) DOES NOT COLLECT A RECEIPT FROM THE PURCHASER FOR THE
18 SALE.

19 THE TERM DOES NOT INCLUDE A PERSON THAT:

20 (1) PROVIDES INTERNET ADVERTISING SERVICES; AND

21 (2) DOES NOT PROVIDE THE MARKETPLACE SELLER'S OR REMOTE
22 SELLER'S SHIPPING TERMS OR ADVERTISE WHETHER A MARKETPLACE
23 SELLER OR REMOTE SELLER COLLECTS A SALES OR USE TAX.

24 THE TERM INCLUDES A PERSON THAT MAY ALSO BE A VENDOR.

25 (H) "REMOTE SELLER." A PERSON, OTHER THAN A MARKETPLACE
26 FACILITATOR, MARKETPLACE SELLER OR REFERRER, THAT DOES NOT
27 MAINTAIN A PLACE OF BUSINESS IN THIS COMMONWEALTH THAT, THROUGH
28 A FORUM, SELLS TANGIBLE PERSONAL PROPERTY AT RETAIL, THE SALE OR
29 USE OF WHICH IS SUBJECT TO THE TAX IMPOSED BY THIS ARTICLE. THE
30 TERM DOES NOT INCLUDE AN EMPLOYEE WHO IN THE ORDINARY SCOPE OF

1 EMPLOYMENT RENDERS SERVICES TO HIS EMPLOYER IN EXCHANGE FOR
2 WAGES AND SALARIES.

3 SECTION 213.1. ELECTION.-- (A) SUBJECT TO THE PROVISIONS OF
4 SUBSECTIONS (C) AND (D), ON OR BEFORE DECEMBER 1, 2017, AND JUNE
5 1 OF EACH CALENDAR YEAR THEREAFTER, A REMOTE SELLER, A
6 MARKETPLACE FACILITATOR OR A REFERRER THAT HAD AGGREGATE SALES
7 AT RETAIL OF TANGIBLE PERSONAL PROPERTY SUBJECT TO TAX UNDER
8 THIS ARTICLE WITHIN THIS COMMONWEALTH OR DELIVERED TO LOCATIONS
9 WITHIN THIS COMMONWEALTH WORTH AT LEAST TEN THOUSAND DOLLARS
10 (\$10,000) DURING THE IMMEDIATELY PRECEDING TWELVE CALENDAR MONTH
11 PERIOD SHALL FILE AN ELECTION WITH THE DEPARTMENT TO COLLECT AND
12 REMIT THE TAX IMPOSED UNDER SECTION 202 OR TO COMPLY WITH THE
13 NOTICE AND REPORTING REQUIREMENTS. THE ELECTION SHALL BE MADE ON
14 A FORM AND IN A MANNER PRESCRIBED BY THE DEPARTMENT AND, EXCEPT
15 AS PROVIDED IN SUBSECTION (E), SHALL APPLY TO THE NEXT
16 SUCCEEDING FISCAL YEAR.

17 (B) A REMOTE SELLER, A MARKETPLACE FACILITATOR OR A REFERRER
18 THAT MAKES AN ELECTION UNDER SUBSECTION (A) TO COLLECT AND REMIT
19 THE TAX IMPOSED UNDER SECTION 202 SHALL OBTAIN A LICENSE UNDER
20 PART IV OF THIS ARTICLE.

21 (C) THE REQUIREMENT BY A MARKETPLACE FACILITATOR TO MAKE AN
22 ELECTION UNDER SUBSECTION (A) SHALL ONLY APPLY TO THE FOLLOWING:

23 (1) SALES AT RETAIL THROUGH THE MARKETPLACE FACILITATOR'S
24 FORUM MADE BY OR ON BEHALF OF A MARKETPLACE SELLER THAT DOES NOT
25 MAINTAIN A PLACE OF BUSINESS IN THIS COMMONWEALTH; AND

26 (2) SALES AT RETAIL MADE BY A MARKETPLACE FACILITATOR ON ITS
27 OWN BEHALF IF THE MARKETPLACE FACILITATOR DOES NOT MAINTAIN A
28 PLACE OF BUSINESS IN THIS COMMONWEALTH.

29 (D) THE REQUIREMENT BY A REFERRER TO MAKE AN ELECTION UNDER
30 SUBSECTION (A) SHALL ONLY APPLY TO SALES AT RETAIL:

1 (1) DIRECTLY RESULTING FROM A REFERRAL OF A PURCHASER TO A
2 MARKETPLACE SELLER THAT DOES NOT MAINTAIN A PLACE OF BUSINESS IN
3 THIS COMMONWEALTH;

4 (2) DIRECTLY RESULTING FROM A REFERRAL OF A PURCHASER TO A
5 REMOTE SELLER; AND

6 (3) OF THE REFERRER'S OWN PRODUCTS IF THE REFERRER DOES NOT
7 MAINTAIN A PLACE OF BUSINESS IN THIS COMMONWEALTH.

8 A REFERRER MAY MAKE AN ELECTION UNDER SUBSECTION (A) FOR THE
9 SALES DESCRIBED IN PARAGRAPHS (1) AND (2) THAT IS DIFFERENT FROM
10 THE ELECTION MADE FOR THE SALES DESCRIBED IN PARAGRAPH (3).

11 (E) AN ELECTION MADE ON OR BEFORE DECEMBER 1, 2017, SHALL BE
12 IN EFFECT FOR THE BALANCE OF THE 2017-2018 FISCAL YEAR. A REMOTE
13 SELLER, MARKETPLACE FACILITATOR OR REFERRER MAY CHANGE AN
14 ELECTION TO COMPLY WITH THE NOTICE AND REPORTING REQUIREMENTS TO
15 AN ELECTION TO COLLECT AND REMIT THE TAX IMPOSED UNDER SECTION
16 202 AT ANY TIME DURING A FISCAL YEAR BY FILING A NEW ELECTION
17 WITH THE DEPARTMENT AND OBTAINING A LICENSE UNDER PART IV OF
18 THIS ARTICLE. THE NEW ELECTION SHALL BE EFFECTIVE THIRTY DAYS
19 AFTER THE FILING AND SHALL BE EFFECTIVE FOR THE BALANCE OF THE
20 FISCAL YEAR IN WHICH THE NEW ELECTION WAS FILED AND FOR THE NEXT
21 SUCCEEDING FISCAL YEAR.

22 (F) A REMOTE SELLER, MARKETPLACE FACILITATOR OR REFERRER WHO
23 DOES NOT SUBMIT AN ELECTION UNDER SUBSECTION (A) OR A NEW
24 ELECTION UNDER SUBSECTION (E) SHALL BE DEEMED TO HAVE ELECTED TO
25 COMPLY WITH THE NOTICE AND REPORTING REQUIREMENTS.

26 (G) IN ADDITION TO RECORDS THAT MAY BE REQUIRED TO BE
27 MAINTAINED UNDER OTHER APPLICABLE PROVISIONS OF THIS ARTICLE BY
28 A REMOTE SELLER, MARKETPLACE FACILITATOR OR REFERRER, A REMOTE
29 SELLER, MARKETPLACE FACILITATOR OR REFERRER SUBJECT TO THIS PART
30 SHALL ALSO BE SUBJECT TO SECTION 271 RELATING TO THE KEEPING OF

1 RECORDS AND SECTION 272 RELATING TO THE EXAMINATION OF RECORDS
2 BY THE DEPARTMENT AND AGENTS AND EMPLOYES OF THE DEPARTMENT.

3 SECTION 213.2. NOTICE REQUIREMENTS.-- (A) A REMOTE SELLER,
4 MARKETPLACE FACILITATOR OR REFERRER REQUIRED TO MAKE AN ELECTION
5 UNDER SECTION 213.1(A) THAT DOES NOT ELECT TO COLLECT AND REMIT
6 THE TAX IMPOSED BY SECTION 202 SHALL COMPLY WITH THE APPLICABLE
7 NOTICE REQUIREMENTS OF THIS SECTION.

8 (B) A REMOTE SELLER OR MARKETPLACE FACILITATOR SUBJECT TO
9 THE REQUIREMENTS OF THIS SECTION SHALL:

10 (1) POST A CONSPICUOUS NOTICE ON ITS FORUM THAT INFORMS
11 PURCHASERS INTENDING TO PURCHASE TANGIBLE PERSONAL PROPERTY FOR
12 DELIVERY TO A LOCATION WITHIN THIS COMMONWEALTH THAT INCLUDES
13 ALL OF THE FOLLOWING:

14 (I) SALES OR USE TAX MAY BE DUE IN CONNECTION WITH THE
15 PURCHASE AND DELIVERY OF THE TANGIBLE PERSON PROPERTY;

16 (II) THE COMMONWEALTH REQUIRES THE PURCHASER TO FILE A
17 RETURN IF USE TAX IS DUE IN CONNECTION WITH THE PURCHASE AND
18 DELIVERY; AND

19 (III) THE NOTICE IS REQUIRED BY THIS SECTION.

20 (2) PROVIDE A WRITTEN NOTICE TO EACH PURCHASER AT THE TIME
21 OF EACH SALE AT RETAIL THAT INCLUDES ALL OF THE FOLLOWING:

22 (I) A STATEMENT THAT SALES TAX IS NOT BEING COLLECTED IN
23 CONNECTION WITH THE PURCHASE;

24 (II) A STATEMENT THAT THE PURCHASER MAY BE REQUIRED TO REMIT
25 USE TAX DIRECTLY TO THE DEPARTMENT; AND

26 (III) INSTRUCTIONS FOR OBTAINING ADDITIONAL INFORMATION FROM
27 THE DEPARTMENT REGARDING WHETHER AND HOW TO REMIT USE TAX TO THE
28 DEPARTMENT.

29 (C) THE NOTICE REQUIRED BY SUBSECTION (B) (2) MUST BE
30 PROMINENTLY DISPLAYED ON ALL INVOICES AND ORDER FORMS AND ON

1 EACH SALES RECEIPT OR SIMILAR DOCUMENT, WHETHER IN PAPER OR
2 ELECTRONIC FORM, PROVIDED TO THE PURCHASER. NO STATEMENT THAT
3 SALES OR USE TAX IS NOT IMPOSED ON A TRANSACTION MAY BE MADE BY
4 A REMOTE SELLER OR MARKETPLACE FACILITATOR UNLESS THE
5 TRANSACTION IS EXEMPT FROM SALES AND USE TAX PURSUANT TO THIS
6 ARTICLE OR OTHER APPLICABLE COMMONWEALTH LAW.

7 (D) A REFERRER SUBJECT TO THE REQUIREMENTS OF THIS SECTION
8 SHALL POST A CONSPICUOUS NOTICE ON ITS PLATFORM THAT INFORMS
9 PURCHASERS INTENDING TO PURCHASE TANGIBLE PERSONAL PROPERTY FOR
10 DELIVERY TO A LOCATION WITHIN THIS COMMONWEALTH THAT INCLUDES
11 ALL OF THE FOLLOWING:

12 (1) SALES OR USE TAX MAY BE DUE IN CONNECTION WITH THE
13 PURCHASE AND DELIVERY.

14 (2) THE PERSON TO WHICH THE PURCHASER IS BEING REFERRED MAY
15 OR MAY NOT COLLECT AND REMIT SALES TAX TO THE DEPARTMENT IN
16 CONNECTION WITH THE TRANSACTION.

17 (3) THE COMMONWEALTH REQUIRES THE PURCHASER TO FILE A RETURN
18 IF USE TAX IS DUE IN CONNECTION WITH THE PURCHASE AND DELIVERY
19 AND NOT COLLECTED BY THE PERSON.

20 (4) THE NOTICE IS REQUIRED BY THIS SECTION.

21 (5) INSTRUCTIONS FOR OBTAINING ADDITIONAL INFORMATION FROM
22 THE DEPARTMENT REGARDING WHETHER AND HOW TO REMIT SALES OR USE
23 TAX TO THE DEPARTMENT.

24 (6) IF THE PERSON TO WHOM THE PURCHASER IS BEING REFERRED
25 DOES NOT COLLECT SALES TAX ON A SUBSEQUENT PURCHASE BY THE
26 PURCHASER, THE PERSON MAY BE REQUIRED TO PROVIDE INFORMATION TO
27 THE PURCHASER AND THE DEPARTMENT ABOUT THE PURCHASER'S POTENTIAL
28 SALES OR USE TAX LIABILITY.

29 (E) THE NOTICE REQUIRED UNDER SUBSECTION (D) MUST BE
30 PROMINENTLY DISPLAYED AND MAY INCLUDE POP-UP BOXES OR

1 NOTIFICATION BY OTHER MEANS THAT APPEARS WHEN THE REFERRER
2 TRANSFERS A PURCHASER TO A MARKETPLACE SELLER OR AN AFFILIATED
3 PERSON TO COMPLETE THE SALE.

4 SECTION 213.3. REPORTING REQUIREMENTS FOR PURCHASERS AND
5 MARKETPLACE SELLERS.-- (A) A REMOTE SELLER OR MARKETPLACE
6 FACILITATOR REQUIRED TO MAKE AN ELECTION UNDER SECTION 213.1(A)
7 THAT DOES NOT ELECT TO COLLECT AND REMIT THE TAX IMPOSED BY
8 SECTION 202 SHALL, NO LATER THAN FEBRUARY 28 OF EACH YEAR,
9 PROVIDE A WRITTEN REPORT TO EACH PURCHASER REQUIRED TO RECEIVE
10 THE NOTICE UNDER SECTION 213.2(B)(2) DURING THE IMMEDIATELY
11 PRECEDING CALENDAR YEAR THAT INCLUDES ALL OF THE FOLLOWING:

12 (1) A STATEMENT THAT THE REMOTE SELLER OR MARKETPLACE
13 FACILITATOR DID NOT COLLECT SALES TAX IN CONNECTION WITH THE
14 PURCHASER'S TRANSACTIONS WITH THE REMOTE SELLER OR MARKETPLACE
15 FACILITATOR AND THAT THE PURCHASER MAY BE REQUIRED TO REMIT USE
16 TAX TO THE DEPARTMENT.

17 (2) A LIST, BY DATE, INDICATING THE TYPE AND PURCHASE PRICE
18 OF EACH PRODUCT PURCHASED OR LEASED BY THE PURCHASER FROM THE
19 REMOTE SELLER OR MARKETPLACE FACILITATOR AND DELIVERED TO A
20 LOCATION WITHIN THIS COMMONWEALTH.

21 (3) INSTRUCTIONS FOR OBTAINING ADDITIONAL INFORMATION FROM
22 THE DEPARTMENT REGARDING WHETHER AND HOW TO REMIT USE TAX TO THE
23 DEPARTMENT.

24 (4) A STATEMENT THAT THE REMOTE SELLER OR MARKETPLACE
25 FACILITATOR IS REQUIRED TO SUBMIT A REPORT TO THE DEPARTMENT
26 UNDER SECTION 213.4 THAT INCLUDES THE NAME OF THE PURCHASER AND
27 THE AGGREGATE DOLLAR AMOUNT OF THE PURCHASER'S PURCHASES FROM
28 THE REMOTE SELLER OR MARKETPLACE FACILITATOR.

29 (5) SUCH ADDITIONAL INFORMATION AS THE DEPARTMENT MAY
30 REASONABLY REQUIRE.

1 (B) THE DEPARTMENT SHALL PRESCRIBE THE FORM OF THE REPORT
2 REQUIRED UNDER SUBSECTION (A) AND SHALL MAKE THE FORM AVAILABLE
3 ON ITS PUBLICLY ACCESSIBLE INTERNET WEBSITE.

4 (C) THE REPORT REQUIRED UNDER SUBSECTION (A) SHALL BE MAILED
5 BY FIRST-CLASS MAIL IN AN ENVELOPE PROMINENTLY MARKED WITH WORDS
6 INDICATING THAT IMPORTANT TAX INFORMATION IS ENCLOSED TO THE
7 PURCHASER'S BILLING ADDRESS, IF KNOWN, OR, IF UNKNOWN, TO THE
8 PURCHASER'S SHIPPING ADDRESS. IF THE PURCHASER'S BILLING AND
9 SHIPPING ADDRESS ARE UNKNOWN, THE REPORT SHALL BE SENT
10 ELECTRONICALLY TO THE PURCHASER'S LAST KNOWN E-MAIL ADDRESS WITH
11 A SUBJECT HEADING INDICATING THAT IMPORTANT TAX INFORMATION IS
12 BEING PROVIDED.

13 (D) A REFERRER REQUIRED TO MAKE AN ELECTION UNDER SECTION
14 213.1(A) THAT DOES NOT ELECT TO COLLECT AND REMIT THE TAX
15 IMPOSED BY SECTION 202 SHALL, NO LATER THAN FEBRUARY 28 OF EACH
16 YEAR, PROVIDE A WRITTEN NOTICE TO EACH MARKETPLACE SELLER OR
17 REMOTE SELLER TO WHOM THE REFERRER TRANSFERRED A POTENTIAL
18 PURCHASER LOCATED IN THIS COMMONWEALTH DURING THE IMMEDIATELY
19 PRECEDING CALENDAR YEAR THAT INCLUDES ALL OF THE FOLLOWING:

20 (1) A STATEMENT THAT A SALES OR USE TAX MAY BE IMPOSED BY
21 THE COMMONWEALTH ON THE TRANSACTION.

22 (2) A STATEMENT THAT THE MARKETPLACE SELLER OR REMOTE SELLER
23 MAY BE REQUIRED TO MAKE THE ELECTION REQUIRED BY SECTION
24 213.1(A).

25 (3) INSTRUCTIONS FOR OBTAINING ADDITIONAL INFORMATION
26 REGARDING SALES AND USE TAX FROM THE DEPARTMENT.

27 SECTION 213.4. REPORTS TO DEPARTMENT.--(A) A REMOTE SELLER
28 OR MARKETPLACE FACILITATOR REQUIRED TO MAKE AN ELECTION UNDER
29 SECTION 213.1(A) THAT DOES NOT ELECT TO COLLECT AND REMIT THE
30 TAX IMPOSED BY SECTION 202 SHALL, NO LATER THAN FEBRUARY 28 OF

1 EACH YEAR, SUBMIT A REPORT TO THE DEPARTMENT. THE REPORT SHALL
2 INCLUDE, WITH RESPECT TO EACH PURCHASER REQUIRED TO RECEIVE THE
3 NOTICE UNDER SECTION 213.2(B)(2) DURING THE IMMEDIATELY
4 PRECEDING CALENDAR YEAR, THE FOLLOWING:

5 (1) THE PURCHASER'S NAME.

6 (2) THE PURCHASER'S BILLING ADDRESS AND, IF DIFFERENT, THE
7 PURCHASER'S LAST KNOWN MAILING ADDRESS.

8 (3) THE ADDRESS WITHIN THIS COMMONWEALTH TO WHICH PRODUCTS
9 WERE DELIVERED TO THE PURCHASER.

10 (4) THE AGGREGATE DOLLAR AMOUNT OF THE PURCHASER'S PURCHASES
11 FROM THE REMOTE SELLER OR MARKETPLACE FACILITATOR.

12 (5) THE NAME AND ADDRESS OF THE REMOTE SELLER, MARKETPLACE
13 FACILITATOR OR MARKETPLACE SELLER THAT MADE THE SALES TO THE
14 PURCHASER.

15 (B) A REFERRER REQUIRED TO MAKE AN ELECTION UNDER SECTION
16 213.1(A) THAT DOES NOT ELECT TO COLLECT AND REMIT THE TAX
17 IMPOSED BY SECTION 202 SHALL, NO LATER THAN FEBRUARY 28 OF EACH
18 YEAR, SUBMIT A REPORT TO THE DEPARTMENT. THE REPORT SHALL
19 INCLUDE A LIST OF PERSONS WHO RECEIVED THE NOTICE REQUIRED UNDER
20 SECTION 213.3(D).

21 (C) THE DEPARTMENT SHALL PRESCRIBE THE FORMS OF THE REPORTS
22 REQUIRED UNDER THIS SECTION AND SHALL MAKE THEM AVAILABLE ON ITS
23 PUBLICLY ACCESSIBLE INTERNET WEBSITE. THE REPORTS SHALL BE
24 SUBMITTED ELECTRONICALLY IN SUCH MANNER AS THE DEPARTMENT SHALL
25 REQUIRE.

26 (D) A REPORT REQUIRED UNDER THIS SECTION SHALL BE SUBMITTED
27 BY AN OFFICER OF THE REMOTE SELLER, MARKETPLACE FACILITATOR OR
28 REFERRER AND SHALL INCLUDE A STATEMENT, MADE UNDER PENALTY OF
29 PERJURY, BY THE OFFICER THAT THE REMOTE SELLER, MARKETPLACE
30 FACILITATOR OR REFERRER MADE REASONABLE EFFORTS TO COMPLY WITH

1 THE NOTICE AND REPORTING REQUIREMENTS OF THIS PART.

2 SECTION 213.5. LIABILITY AND PENALTIES.-- (A) THE DEPARTMENT
3 SHALL ASSESS A PENALTY IN THE AMOUNT OF TWENTY THOUSAND DOLLARS
4 (\$20,000) OR TWENTY PER CENT OF TOTAL SALES IN PENNSYLVANIA
5 DURING THE PREVIOUS TWELVE MONTHS, WHICHEVER IS LESS, AGAINST A
6 REMOTE SELLER, MARKETPLACE FACILITATOR OR REFERRER THAT MAKES AN
7 ELECTION UNDER SECTION 213.1(A) TO COMPLY WITH THE NOTICE AND
8 REPORTING REQUIREMENTS, OR IS DEEMED TO HAVE MADE SUCH ELECTION
9 UNDER SECTION 213.2(F), AND FAILS TO COMPLY WITH THE
10 REQUIREMENTS UNDER SECTIONS 213.3 OR 213.4. THE PENALTY SHALL BE
11 ASSESSED SEPARATELY FOR EACH VIOLATION, BUT MAY ONLY BE ASSESSED
12 ONCE IN A CALENDAR YEAR.

13 (B) A REMOTE SELLER, MARKETPLACE FACILITATOR OR REFERRER
14 THAT MAKES AN ELECTION UNDER SECTION 213.1(A) TO COLLECT AND
15 REMIT THE TAX IMPOSED UNDER SECTION 202 SHALL BE SUBJECT TO ALL
16 OF THE PROVISIONS OF THIS ARTICLE WITH RESPECT TO THE COLLECTION
17 AND REMITTANCE OF SUCH TAX AND SHALL BE SUBJECT TO ALL OF THE
18 PENALTIES, INTEREST AND ADDITIONS FOR FAILING TO COMPLY WITH THE
19 PROVISIONS OF THIS ARTICLE, EXCEPT AS PROVIDED IN THIS SECTION.

20 (C) FOR A PERIOD OF FIVE YEARS AFTER THE EFFECTIVE DATE OF
21 THIS SECTION, THE DEPARTMENT MAY ABATE OR REDUCE ANY PENALTY OR
22 ADDITION IMPOSED UNDER SUBSECTION (B) DUE TO HARDSHIP OR FOR
23 GOOD CAUSE SHOWN.

24 (D) A MARKETPLACE FACILITATOR OR REFERRER IS RELIEVED OF
25 LIABILITY UNDER SUBSECTION (B) IF THE MARKETPLACE FACILITATOR OR
26 REFERRER CAN SHOW TO THE SATISFACTION OF THE DEPARTMENT THAT THE
27 FAILURE TO COLLECT THE CORRECT AMOUNT OF TAX WAS DUE TO
28 INCORRECT INFORMATION GIVEN TO THE MARKETPLACE FACILITATOR OR
29 REFERRER BY A MARKETPLACE SELLER OR REMOTE SELLER.

30 (E) A CLASS ACTION MAY NOT BE BROUGHT AGAINST A MARKETPLACE

1 FACILITATOR OR REFERRER ON BEHALF OF PURCHASERS ARISING FROM OR
2 IN ANY WAY RELATED TO AN OVERPAYMENT OF SALES OR USE TAX
3 COLLECTED BY THE MARKETPLACE FACILITATOR OR REFERRER, REGARDLESS
4 OF WHETHER SUCH ACTION IS CHARACTERIZED AS A TAX REFUND CLAIM.
5 NOTHING IN THIS SUBSECTION SHALL AFFECT A PURCHASER'S RIGHT TO
6 SEEK A REFUND FROM THE DEPARTMENT UNDER OTHER PROVISIONS OF THIS
7 ARTICLE.

8 SECTION 213.6. APPLICATION.--NOTHING IN THIS SECTION AFFECTS
9 THE OBLIGATIONS OF A VENDOR TO REGISTER WITH THE DEPARTMENT AND
10 TO COLLECT AND REMIT SALES TAX OR USE TAX.

11 SECTION 5. SECTION 278 OF THE ACT IS AMENDED BY ADDING
12 SUBSECTIONS TO READ:

13 SECTION 278. REMOTE SALES REPORTS.--* * *

14 (C) IF FEDERAL LEGISLATION RELATING TO REMOTE SELLERS HAS
15 NOT BEEN ENACTED BY DECEMBER 31, 2018, THE INDEPENDENT FISCAL
16 OFFICE, IN CONJUNCTION WITH THE DEPARTMENT OF REVENUE, SHALL
17 CONDUCT A STUDY ASSESSING THE LEGAL IMPLICATIONS AND FISCAL
18 IMPACT OF MANDATING NOTICE REQUIREMENTS FOR REMOTE SELLERS. BY
19 APRIL 1, 2019, RESULTS OF THE STUDY, IF A STUDY IS PRODUCED,
20 SHALL BE PROVIDED TO THE CHAIRMAN AND MINORITY CHAIRMAN OF THE
21 APPROPRIATIONS COMMITTEE OF THE SENATE, THE CHAIRMAN AND
22 MINORITY CHAIRMAN OF THE FINANCE COMMITTEE OF THE SENATE, THE
23 CHAIRMAN AND MINORITY CHAIRMAN OF THE APPROPRIATIONS COMMITTEE
24 OF THE HOUSE OF REPRESENTATIVES AND THE CHAIRMAN AND MINORITY
25 CHAIRMAN OF THE FINANCE COMMITTEE OF THE HOUSE OF
26 REPRESENTATIVES.

27 (D) AS USED IN THIS SECTION, THE TERM "REMOTE SELLER" SHALL
28 HAVE THE SAME MEANING AS DEFINED IN SECTION 213.

29 SECTION 6. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

30 ARTICLE II-C

1 LODGING TAX

2 SECTION 201-C. DEFINITIONS.

3 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
4 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
5 CONTEXT CLEARLY INDICATES OTHERWISE:

6 "HOTEL." A BUILDING OR BUILDINGS IN WHICH THE PUBLIC MAY,
7 FOR A CONSIDERATION, OBTAIN SLEEPING ACCOMMODATIONS. THE TERM
8 SHALL NOT INCLUDE ANY CHARITABLE, EDUCATIONAL OR RELIGIOUS
9 INSTITUTION SUMMER CAMP FOR CHILDREN, HOSPITAL OR NURSING HOME.

10 "OCCUPANCY." THE USE OR POSSESSION OR THE RIGHT TO THE USE
11 OR POSSESSION BY ANY PERSON, OTHER THAN A PERMANENT RESIDENT, OF
12 ANY ROOM OR ROOMS IN A HOTEL FOR ANY PURPOSE OR THE RIGHT TO THE
13 USE OR POSSESSION OF THE FURNISHINGS OR TO THE SERVICES AND
14 ACCOMMODATIONS ACCOMPANYING THE USE AND POSSESSION OF THE ROOM
15 OR ROOMS.

16 "OCCUPANT." A PERSON, OTHER THAN A PERMANENT RESIDENT, WHO
17 FOR A CONSIDERATION, USES, POSSESSES OR HAS A RIGHT TO USE OR
18 POSSESS ANY ROOM OR ROOMS IN A HOTEL UNDER ANY LEASE,
19 CONCESSION, PERMIT, RIGHT OF ACCESS, LICENSE OR AGREEMENT.

20 "OPERATOR." ANY PERSON OPERATING A HOTEL.

21 "RENT." THE CONSIDERATION RECEIVED FOR OCCUPANCY VALUED IN
22 MONEY, WHETHER RECEIVED IN MONEY OR OTHERWISE, INCLUDING ALL
23 RECEIPTS, CASH, CREDITS AND PROPERTY OR SERVICES OF ANY KIND OR
24 NATURE, AND ALSO ANY AMOUNT FOR WHICH THE OCCUPANT IS LIABLE FOR
25 THE OCCUPANCY WITHOUT ANY DEDUCTION THEREFROM WHATSOEVER. THE
26 TERM SHALL NOT INCLUDE A GRATUITY.

27 SECTION 202-C. LODGING TAX IMPOSED.

28 (A) LODGING TAX.--THERE IS IMPOSED AN EXCISE TAX ON THE RENT
29 UPON EVERY OCCUPANCY OF A ROOM OR ROOMS IN A HOTEL. THE TAX
30 SHALL BE COLLECTED BY THE OPERATOR OR OWNER FROM THE OCCUPANT

1 AND PAID OVER TO THE COMMONWEALTH.

2 (B) RATE.--THE TAX IMPOSED UNDER THIS SECTION SHALL BE AT A
3 RATE OF 5%.

4 (C) TAX COMPUTATION.--THE AMOUNT OF TAX DUE UNDER THIS
5 SECTION SHALL BE ROUNDED TO THE NEAREST WHOLE CENT.

6 (D) ADDITIONAL TAXATION.--THE TAX IMPOSED UNDER THIS SECTION
7 SHALL BE IN ADDITION TO ANY TAX IMPOSED UNDER ARTICLE II OR II-
8 B, SECTION 503 OF THE ACT OF JUNE 5, 1991 (P.L.9, NO.6), KNOWN
9 AS THE PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY ACT
10 FOR CITIES OF THE FIRST CLASS, SECTION 3152-B OF THE ACT OF JULY
11 28, 1953 (P.L.73, NO.230), KNOWN AS THE SECOND CLASS COUNTY
12 CODE, OR THE ACT OF AUGUST 9, 1955 (P.L.323, NO.130), KNOWN AS
13 THE COUNTY CODE. THE PROVISIONS OF ARTICLE II SHALL APPLY TO THE
14 TAX IMPOSED UNDER THIS SECTION.

15 SECTION 203-C. REPORTING AND REMITTANCE OF TAX.

16 (A) REPORTING AND REMITTANCE.--THE TAX IMPOSED UNDER SECTION
17 202-C SHALL BE REPORTED AND REMITTED IN THE SAME MANNER AS THE
18 TAX IMPOSED UNDER PART V OF ARTICLE II.

19 (B) APPLICABILITY.--EXCEPT AS OTHERWISE PROVIDED UNDER LAW,
20 THE PROVISIONS OF ARTICLE II SHALL APPLY TO THE TAX IMPOSED
21 UNDER SECTION 202-C.

22 SECTION 7. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

23 SECTION 304.2. PENNSYLVANIA ABLE SAVINGS PROGRAM TAX
24 EXEMPTION.--(A) THE FOLLOWING SHALL BE EXEMPT FROM ALL TAXATION
25 BY THE COMMONWEALTH AND ITS POLITICAL SUBDIVISIONS:

26 (1) UNDISTRIBUTED EARNINGS ON AN ACCOUNT.

27 (2) AN AMOUNT DISTRIBUTED FROM AN ACCOUNT THAT IS NOT
28 INCLUDED IN GROSS INCOME UNDER SECTION 529A(C) (1) OF THE
29 INTERNAL REVENUE CODE.

30 (B) THE FOLLOWING SHALL APPLY:

1 (1) AN AMOUNT CONTRIBUTED TO AN ACCOUNT SHALL BE DEDUCTIBLE
2 FROM THE TAXABLE INCOME OF THE CONTRIBUTOR UNDER THIS ARTICLE
3 FOR THE TAX YEAR THE CONTRIBUTION WAS MADE.

4 (2) THE TOTAL CONTRIBUTIONS MADE BY A CONTRIBUTOR DURING A
5 TAXABLE YEAR TO ALL ACCOUNTS THAT ARE ALLOWABLE AS A DEDUCTION
6 UNDER THIS SECTION SHALL NOT EXCEED THE DOLLAR AMOUNT UNDER
7 SECTION 2503(B) OF THE INTERNAL REVENUE CODE.

8 (3) THE DEDUCTION SHALL NOT RESULT IN THE CONTRIBUTOR'S
9 TAXABLE INCOME BEING LESS THAN ZERO.

10 (4) THE DEPARTMENT AND THE TREASURY DEPARTMENT SHALL
11 COOPERATE IN VERIFYING ACCOUNT INFORMATION RELATING TO
12 CONTRIBUTIONS TO AN ACCOUNT ITEMIZED BY A CONTRIBUTOR AND THE
13 CONTRIBUTOR'S SPECIFIC CONTRIBUTIONS.

14 (C) AN AMOUNT THAT IS DISTRIBUTED FROM AN ACCOUNT AND NOT
15 OTHERWISE EXEMPT FROM TAXATION UNDER THIS SECTION SHALL BE
16 TAXABLE INCOME TO THE DESIGNATED BENEFICIARY UNDER THIS ARTICLE.

17 (D) A CHANGE IN DESIGNATED BENEFICIARIES UNDER SECTION
18 529A(C) OF THE INTERNAL REVENUE CODE SHALL NOT CONSTITUTE A
19 TAXABLE EVENT.

20 (E) AS USED IN THIS SECTION, THE FOLLOWING WORDS AND PHRASES
21 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SUBSECTION UNLESS
22 THE CONTEXT CLEARLY INDICATES OTHERWISE:

23 "ACCOUNT." AN ABLE SAVINGS ACCOUNT AS DEFINED IN SECTION 102
24 OF THE PENNSYLVANIA ABLE ACT.

25 "CONTRIBUTOR." AN INDIVIDUAL WHO MAKES A CONTRIBUTION TO AN
26 ACCOUNT AS DEFINED IN SECTION 102 OF THE PENNSYLVANIA ABLE ACT.

27 "DESIGNATED BENEFICIARY." THE TERM SHALL HAVE THE SAME
28 MEANING AS PROVIDED IN SECTION 102 OF THE PENNSYLVANIA ABLE ACT.

29 "INTERNAL REVENUE CODE." THE INTERNAL REVENUE CODE OF 1986
30 (PUBLIC LAW 99-514, 26 U.S.C. § 1 ET SEQ.), AS AMENDED.

1 "PENNSYLVANIA ABLE ACT." THE ACT OF APRIL 18, 2016 (P.L.128,
2 NO.17), KNOWN AS THE PENNSYLVANIA ABLE ACT.

3 "PENNSYLVANIA ABLE SAVINGS PROGRAM." THE PROGRAM ESTABLISHED
4 UNDER THE PENNSYLVANIA ABLE ACT.

5 "QUALIFIED DISABILITY EXPENSE." THE TERM SHALL HAVE THE SAME
6 MEANING AS PROVIDED IN SECTION 102 OF THE PENNSYLVANIA ABLE ACT.

7 * * *

8 SECTION 8. SECTION 312 OF THE ACT, AMENDED JULY 13, 2016
9 (P.L.526, NO.84), IS AMENDED TO READ:

10 SECTION 312. TAX WITHHELD.--THE AMOUNT WITHHELD UNDER
11 SECTION [316] 316.1 SHALL BE ALLOWED TO THE TAXPAYER FROM WHOSE
12 INCOME THE TAX WAS WITHHELD AS A CREDIT AGAINST THE TAX IMPOSED
13 ON HIM BY THIS ARTICLE.

14 SECTION 9. SECTION 315.6 OF THE ACT IS REPEALED:

15 [SECTION 315.6. CONTRIBUTION FOR KOREA/VIETNAM MEMORIAL
16 NATIONAL EDUCATION CENTER.--(A) FOR TAX YEARS 1997, 1998, 1999,
17 2000, 2001, 2002, 2003 AND 2004, THE DEPARTMENT SHALL PROVIDE A
18 SPACE ON THE FACE OF THE PENNSYLVANIA INDIVIDUAL INCOME TAX
19 RETURN FORM WHEREBY AN INDIVIDUAL MAY VOLUNTARILY DESIGNATE A
20 CONTRIBUTION OF ANY AMOUNT FROM THE INDIVIDUAL'S TAX REFUND TO
21 THE KOREA/VIETNAM MEMORIAL NATIONAL EDUCATION CENTER.

22 (B) THE AMOUNT DESIGNATED BY AN INDIVIDUAL ON THE
23 PENNSYLVANIA INDIVIDUAL INCOME TAX RETURN FORM SHALL BE DEDUCTED
24 FROM THE TAX REFUND TO WHICH THE INDIVIDUAL IS ENTITLED AND
25 SHALL NOT CONSTITUTE A CHARGE AGAINST THE INCOME TAX REVENUES
26 DUE THE COMMONWEALTH.

27 (C) THE DEPARTMENT SHALL DETERMINE ANNUALLY THE TOTAL AMOUNT
28 DESIGNATED BY INDIVIDUAL TAXPAYERS UNDER THIS SECTION AND SHALL
29 REPORT THE AMOUNT TO THE STATE TREASURER, WHO SHALL PREPARE THE
30 APPROPRIATE DOCUMENTATION AND TRANSFER THE DESIGNATED AMOUNT

1 FROM THE GENERAL FUND TO THE KOREA/VIETNAM MEMORIAL NATIONAL
2 EDUCATION CENTER.

3 (D) THE DEPARTMENT SHALL PROVIDE ADEQUATE INFORMATION
4 REGARDING THE CENTER AND ITS PURPOSES IN ITS INSTRUCTIONS FOR
5 TAX YEARS 1997, 1998, 1999, 2000, 2001, 2002, 2003 AND 2004
6 WHICH ACCOMPANY PENNSYLVANIA INDIVIDUAL INCOME TAX RETURN FORMS
7 TO INCLUDE THE ADDRESS OF THE KOREA/VIETNAM MEMORIAL NATIONAL
8 EDUCATION CENTER TO WHICH CONTRIBUTIONS MAY BE SENT BY TAXPAYERS
9 WHO WISH TO MAKE ADDITIONAL CONTRIBUTIONS TO THE CENTER.

10 (E) ON OR BEFORE MARCH 31 OF EACH YEAR, THE KOREA/VIETNAM
11 MEMORIAL NATIONAL EDUCATION CENTER SHALL SUBMIT A REPORT
12 DETAILING CONTRIBUTIONS RECEIVED AND ACTIVITIES UNDERTAKEN
13 DURING THE PRIOR CALENDAR YEAR TO THE MILITARY AND VETERANS'
14 AFFAIRS COMMITTEE OF THE SENATE AND THE VETERANS AFFAIRS AND
15 EMERGENCY PREPAREDNESS COMMITTEE OF THE HOUSE OF
16 REPRESENTATIVES.

17 (F) THIS SECTION SHALL EXPIRE DECEMBER 31, 2005.]

18 SECTION 10. SECTION 315.9(B.1) AND (C) OF THE ACT ARE
19 AMENDED TO READ:

20 SECTION 315.9. OPERATIONAL PROVISIONS.--

21 * * *

22 (B.1) NOTWITHSTANDING SUBSECTION (B), THE CHECKOFFS
23 ESTABLISHED IN SECTIONS 315.2 [AND], 315.3, 315.4, 315.7, 315.8,
24 315.10 AND 315.11 SHALL NOT EXPIRE.

25 [(C) SECTIONS 315.3, 315.4 AND 315.8 SHALL EXPIRE JANUARY 1,
26 2018.]

27 SECTION 11. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

28 SECTION 316. DEFINITIONS.--THE FOLLOWING WORDS, TERMS AND
29 PHRASES, WHEN USED IN THIS PART, SHALL HAVE THE MEANINGS
30 ASCRIED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT

1 CLEARLY INDICATES A DIFFERENT MEANING:

2 "PAYEE." THE PERSON RECEIVING THE PAYMENTS SUBJECT TO
3 WITHHOLDING UNDER THIS SECTION.

4 "PAYMENTS." THE TERM DOES NOT INCLUDE A PARTNER OR
5 SHAREHOLDER'S DISTRIBUTIVE SHARE OF INCOME FROM A PARTNERSHIP OR
6 PENNSYLVANIA S CORPORATION.

7 "PAYOR." THE PERSON REQUIRED TO WITHHOLD UNDER THIS SECTION.

8 SECTION 12. SECTION 316 OF THE ACT, AMENDED JULY 13, 2016
9 (P.L.526, NO.84), IS RENUMBERED TO READ:

10 SECTION [316] 316.1. REQUIREMENT OF WITHHOLDING TAX.-- (A)
11 EVERY EMPLOYER MAINTAINING AN OFFICE OR TRANSACTING BUSINESS
12 WITHIN THIS COMMONWEALTH AND MAKING PAYMENT OF COMPENSATION (I)
13 TO A RESIDENT INDIVIDUAL, OR (II) TO A NONRESIDENT INDIVIDUAL
14 TAXPAYER PERFORMING SERVICES ON BEHALF OF SUCH EMPLOYER WITHIN
15 THIS COMMONWEALTH, SHALL DEDUCT AND WITHHOLD FROM SUCH
16 COMPENSATION FOR EACH PAYROLL PERIOD A TAX COMPUTED IN SUCH
17 MANNER AS TO RESULT, SO FAR AS PRACTICABLE, IN WITHHOLDING FROM
18 THE EMPLOYEE'S COMPENSATION DURING EACH CALENDAR YEAR AN AMOUNT
19 SUBSTANTIALLY EQUIVALENT TO THE TAX REASONABLY ESTIMATED TO BE
20 DUE FOR SUCH YEAR WITH RESPECT TO SUCH COMPENSATION. THE METHOD
21 OF DETERMINING THE AMOUNT TO BE WITHHELD SHALL BE PRESCRIBED BY
22 REGULATIONS OF THE DEPARTMENT.

23 (B) WHENEVER THE PENNSYLVANIA STATE LOTTERY OR A PERSON
24 MAKING A PENNSYLVANIA STATE LOTTERY PRIZE PAYMENT IN THE FORM OF
25 AN ANNUITY IS REQUIRED TO WITHHOLD FEDERAL INCOME TAX UNDER
26 SECTION 3402 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED
27 (PUBLIC LAW 99-514, 26 U.S.C. § 1 ET SEQ.), OR BACKUP
28 WITHHOLDING UNDER SECTION 3406 OF THE INTERNAL REVENUE CODE OF
29 1986, AS AMENDED, FROM A GAMBLING OR LOTTERY PRIZE PAYMENT
30 AWARDED BY THE PENNSYLVANIA STATE LOTTERY THAT IS TAXABLE UNDER

1 THIS ARTICLE, THE PENNSYLVANIA STATE LOTTERY OR THE PERSON
2 MAKING THE ANNUITY PAYMENT SHALL DEDUCT AND WITHHOLD FROM THE
3 PRIZE PAYMENT AN AMOUNT EQUAL TO THE AMOUNT OF THE PRIZE PAYMENT
4 SUBJECT TO WITHHOLDING UNDER SECTION 3402 OR 3406 OF THE
5 INTERNAL REVENUE CODE OF 1986 MULTIPLIED BY THE TAX RATE IN
6 EFFECT UNDER THIS ARTICLE AT THE TIME THE PRIZE PAYMENT IS MADE.

7 SECTION 13. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

8 SECTION 316.2. WITHHOLDING TAX REQUIREMENT FOR NON-EMPLOYER
9 PAYORS.--(A) TO THE EXTENT NOT ALREADY REQUIRED TO WITHHOLD TAX
10 ON PAYMENTS UNDER SECTION 316.1, A PERSON THAT:

11 (1) MAKES PAYMENTS OF INCOME FROM SOURCES WITHIN THIS
12 COMMONWEALTH DESCRIBED IN SECTION 303(A) (1) OR (2) TO EITHER A
13 NONRESIDENT INDIVIDUAL OR AN ENTITY THAT IS DISREGARDED UNDER
14 SECTION 307.21 THAT HAS A NONRESIDENT MEMBER; AND

15 (2) IS REQUIRED UNDER SECTION 335(F) (1) TO FILE A COPY OF
16 FORM 1099-MISC WITH THE DEPARTMENT REGARDING THE PAYMENTS;
17 SHALL DEDUCT AND WITHHOLD FROM THE PAYMENTS AN AMOUNT EQUAL TO
18 THE NET AMOUNT OF THE PAYMENTS MULTIPLIED BY THE TAX RATE
19 SPECIFIED UNDER SECTION 302(B).

20 (B) WITHHOLDING OF TAX BY PAYORS IS OPTIONAL AND AT THE
21 DISCRETION OF THE PAYOR WITH RESPECT TO PAYEES WHO RECEIVE
22 PAYMENTS OF LESS THAN \$5,000 ANNUALLY FROM THE PAYOR.

23 (C) THIS SECTION SHALL NOT APPLY TO PAYMENTS MADE BY A PAYOR
24 TO A PAYEE IF THE PAYOR IS:

25 (1) THE UNITED STATES OR AN AGENCY OR INSTRUMENTALITY
26 THEREOF; OR

27 (2) THE COMMONWEALTH OR AN AGENCY, INSTRUMENTALITY OR
28 POLITICAL SUBDIVISION THEREOF.

29 (D) THE DEPARTMENT MAY PRESCRIBE REGULATIONS TO IMPLEMENT AND
30 CLARIFY THE WITHHOLDING REQUIREMENT SET FORTH IN THIS SECTION.

1 SECTION 14. SECTION 317 OF THE ACT, AMENDED JULY 13, 2016
2 (P.L.526, NO.84), IS AMENDED TO READ:

3 SECTION 317. INFORMATION STATEMENT.-- (A) EVERY EMPLOYER
4 REQUIRED TO DEDUCT AND WITHHOLD TAX UNDER [THIS ARTICLE] SECTION
5 316.1(A) SHALL FURNISH TO EACH SUCH EMPLOYEE TO WHOM THE EMPLOYER
6 HAS PAID COMPENSATION DURING THE CALENDAR YEAR A WRITTEN
7 STATEMENT IN SUCH MANNER AND IN SUCH FORM AS MAY BE PRESCRIBED
8 BY THE DEPARTMENT SHOWING THE AMOUNT OF COMPENSATION PAID BY THE
9 EMPLOYER TO THE EMPLOYEE, THE AMOUNT DEDUCTED AND WITHHELD AS
10 TAX, PURSUANT TO [THIS ARTICLE] SECTION 316.1(A), AND SUCH OTHER
11 INFORMATION AS THE DEPARTMENT SHALL PRESCRIBE. EACH STATEMENT
12 REQUIRED BY THIS SECTION FOR A CALENDAR YEAR SHALL BE FURNISHED
13 TO THE EMPLOYEE ON OR BEFORE JANUARY 31 OF THE YEAR SUCCEEDING
14 SUCH CALENDAR YEAR. IF THE EMPLOYEE'S EMPLOYMENT IS TERMINATED
15 BEFORE THE CLOSE OF SUCH CALENDAR YEAR, THE EMPLOYER, AT HIS
16 OPTION, SHALL FURNISH THE STATEMENT TO THE EMPLOYEE AT ANY TIME
17 AFTER THE TERMINATION BUT NO LATER THAN JANUARY 31 OF THE YEAR
18 SUCCEEDING SUCH CALENDAR YEAR. HOWEVER, IF AN EMPLOYEE WHOSE
19 EMPLOYMENT IS TERMINATED BEFORE THE CLOSE OF SUCH CALENDAR YEAR
20 REQUESTS THE EMPLOYER IN WRITING TO FURNISH HIM THE STATEMENT AT
21 AN EARLIER TIME, AND, IF THERE IS NO REASONABLE EXPECTATION ON
22 THE PART OF BOTH EMPLOYER AND EMPLOYEE OF FURTHER EMPLOYMENT
23 DURING THE CALENDAR YEAR, THEN THE EMPLOYER SHALL FURNISH THE
24 STATEMENT TO THE EMPLOYEE ON OR BEFORE THE LATER OF THE 30TH DAY
25 AFTER THE DAY OF THE REQUEST OR THE 30TH DAY AFTER THE DAY ON
26 WHICH THE LAST PAYMENT OF WAGES IS MADE.

27 (B) EVERY PERSON REQUIRED TO DEDUCT AND WITHHOLD TAX UNDER
28 SECTION [316(B)] 316.1(B) SHALL REPORT THE PRIZE AND THE AMOUNT
29 OF WITHHOLDING TO THE TAXPAYER ON INTERNAL REVENUE SERVICE FORM
30 W-2G, OR SIMILAR FORM USED FOR REPORTING FEDERAL INCOME TAX

1 WITHHOLDING FROM THE PRIZE.

2 SECTION 15. THE ACT IS AMENDED BY ADDING SECTIONS TO READ:

3 SECTION 317.1. INFORMATION STATEMENT FOR NON-EMPLOYER
4 PAYORS.--EVERY PAYOR REQUIRED TO DEDUCT AND WITHHOLD TAX UNDER
5 SECTION 316.2 SHALL FURNISH TO A PAYEE TO WHOM THE PAYOR HAS
6 PAID INCOME FROM SOURCES WITHIN THIS COMMONWEALTH DURING THE
7 CALENDAR YEAR A COPY OF FORM 1099-MISC REQUIRED UNDER SECTION
8 335(F)(1). THE COPY OF FORM 1099-MISC REQUIRED BY THIS SECTION
9 FOR EACH CALENDAR YEAR SHALL BE FORWARDED TO THE PAYEE ON OR
10 BEFORE MARCH 1 OF THE YEAR SUCCEEDING THE CALENDAR YEAR.

11 SECTION 317.2. INFORMATION STATEMENT FOR PAYEES.--EVERY
12 PAYEE RECEIVING A COPY OF FORM 1099-MISC FROM A PAYOR UNDER
13 SECTION 317.1 SHALL FILE A DUPLICATE OF SUCH INFORMATION RETURN
14 WITH THE PAYEE'S STATE INCOME TAX RETURN.

15 SECTION 16. SECTION 318 OF THE ACT, AMENDED JULY 13, 2016
16 (P.L.526, NO.84), IS AMENDED TO READ:

17 SECTION 318. TIME FOR FILING WITHHOLDING RETURNS.-- (A)
18 EVERY EMPLOYER REQUIRED TO DEDUCT AND WITHHOLD TAX UNDER [THIS
19 ARTICLE] SECTION 316.1(A) SHALL FILE A QUARTERLY WITHHOLDING
20 RETURN ON OR BEFORE THE LAST DAY OF APRIL, JULY, OCTOBER AND
21 JANUARY FOR THE THREE MONTHS ENDING THE LAST DAY OF MARCH, JUNE,
22 SEPTEMBER AND DECEMBER. SUCH QUARTERLY RETURNS SHALL BE FILED
23 WITH THE DEPARTMENT AT ITS MAIN OFFICE OR AT ANY BRANCH OFFICE
24 WHICH IT MAY DESIGNATE FOR FILING RETURNS.

25 (B) EVERY PERSON REQUIRED TO DEDUCT AND WITHHOLD TAX UNDER
26 SECTION [316(B)] 316.1(B) SHALL FILE A WITHHOLDING TAX RETURN AT
27 THE SAME TIME THE PERSON IS REQUIRED TO FILE ITS ANNUAL RETURN
28 OF WITHHELD FEDERAL INCOME TAX (IRS FORM 945) FROM NONPAYROLL
29 PAYMENTS. THE RETURN SHALL BE FILED WITH THE DEPARTMENT.

30 SECTION 17. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

1 SECTION 318.1. TIME FOR FILING PAYORS' RETURNS.--EVERY PAYOR
2 REQUIRED TO DEDUCT AND WITHHOLD TAX UNDER SECTION 316.2 SHALL
3 FILE A QUARTERLY WITHHOLDING RETURN ON OR BEFORE THE LAST DAY OF
4 APRIL, JULY, OCTOBER AND JANUARY FOR EACH THREE MONTH PERIOD
5 ENDING THE LAST DAY OF MARCH, JUNE, SEPTEMBER AND DECEMBER. THE
6 QUARTERLY RETURNS SHALL BE FILED WITH THE DEPARTMENT IN THE
7 MANNER PRESCRIBED BY REGULATION.

8 SECTION 18. SECTION 319 OF THE ACT, AMENDED JULY 13, 2016
9 (P.L.526, NO.84), IS AMENDED TO READ:

10 SECTION 319. PAYMENT OF TAXES WITHHELD.--(A) EVERY EMPLOYER
11 WITHHOLDING TAX UNDER [THIS ARTICLE] SECTION 316.1(A) SHALL PAY
12 OVER TO THE DEPARTMENT OR TO A DEPOSITORY DESIGNATED BY IT THE
13 TAX REQUIRED TO BE DEDUCTED AND WITHHELD UNDER [THIS ARTICLE]
14 SECTION 316.1(A).

15 (1) WHERE THE AGGREGATE AMOUNT REQUIRED TO BE DEDUCTED AND
16 WITHHELD BY ANY EMPLOYER FOR A CALENDAR YEAR CAN REASONABLY BE
17 EXPECTED TO BE LESS THAN TWELVE HUNDRED DOLLARS (\$1,200), SUCH
18 EMPLOYER SHALL FILE A RETURN AND PAY THE TAX ON OR BEFORE THE
19 LAST DAY FOR FILING A QUARTERLY RETURN UNDER SECTION 318.

20 (2) WHERE THE AGGREGATED AMOUNT REQUIRED TO BE DEDUCTED AND
21 WITHHELD BY ANY EMPLOYER FOR A CALENDAR YEAR CAN REASONABLY BE
22 EXPECTED TO BE TWELVE HUNDRED DOLLARS (\$1,200) OR MORE BUT LESS
23 THAN FOUR THOUSAND DOLLARS (\$4,000), SUCH EMPLOYER SHALL PAY THE
24 TAX MONTHLY, ON OR BEFORE THE FIFTEENTH DAY OF THE MONTH
25 SUCCEEDING THE MONTHS OF JANUARY TO NOVEMBER, INCLUSIVE, AND ON
26 OR BEFORE THE LAST DAY OF JANUARY FOLLOWING THE MONTH OF
27 DECEMBER.

28 (3) WHERE THE AGGREGATED AMOUNT REQUIRED TO BE DEDUCTED AND
29 WITHHELD BY ANY EMPLOYER FOR A CALENDAR YEAR CAN REASONABLY BE
30 EXPECTED TO BE FOUR THOUSAND DOLLARS (\$4,000) OR MORE BUT LESS

1 THAN TWENTY THOUSAND DOLLARS (\$20,000), SUCH EMPLOYER SHALL PAY
2 THE TAX SEMI-MONTHLY, WITHIN THREE BANKING DAYS AFTER THE CLOSE
3 OF THE SEMI-MONTHLY PERIOD.

4 (4) WHERE THE AGGREGATED AMOUNT REQUIRED TO BE DEDUCTED AND
5 WITHHELD BY ANY EMPLOYER FOR A CALENDAR YEAR CAN REASONABLY BE
6 EXPECTED TO BE TWENTY THOUSAND DOLLARS (\$20,000) OR MORE, SUCH
7 EMPLOYER SHALL PAY THE TAX ON THE WEDNESDAY AFTER PAYDAY IF THE
8 PAYDAY FALLS ON A WEDNESDAY, THURSDAY OR FRIDAY AND ON THE
9 FRIDAY AFTER PAYDAY IF THE PAYDAY FALLS ON A SATURDAY, SUNDAY,
10 MONDAY OR TUESDAY.

11 NOTWITHSTANDING ANYTHING IN THIS SUBSECTION TO THE CONTRARY,
12 WHENEVER ANY EMPLOYER FAILS TO DEDUCT OR TRUTHFULLY ACCOUNT FOR
13 OR PAY OVER THE TAX WITHHELD OR FILE RETURNS AS PRESCRIBED BY
14 THIS ARTICLE, THE DEPARTMENT MAY SERVE A NOTICE ON SUCH EMPLOYER
15 REQUIRING HIM TO WITHHOLD TAXES WHICH ARE REQUIRED TO BE
16 DEDUCTED UNDER [THIS ARTICLE] SECTION 316.1(A) AND DEPOSIT SUCH
17 TAXES IN A BANK APPROVED BY THE DEPARTMENT IN A SEPARATE ACCOUNT
18 IN TRUST FOR AND PAYABLE TO THE DEPARTMENT, AND TO KEEP THE
19 AMOUNT OF SUCH TAX IN SUCH ACCOUNT UNTIL PAYMENT OVER TO THE
20 DEPARTMENT. SUCH NOTICE SHALL REMAIN IN EFFECT UNTIL A NOTICE OF
21 CANCELLATION IS SERVED ON THE EMPLOYER BY THE DEPARTMENT.

22 (B) EVERY PERSON DEDUCTING AND WITHHOLDING TAX UNDER SECTION
23 [316(B)] 316.1(B) SHALL REMIT THE TAX TO THE DEPARTMENT ON THE
24 SAME FREQUENCY THAT THE PERSON IS REQUIRED TO REMIT FEDERAL
25 INCOME TAX WITHHELD FROM NONPAYROLL PAYMENTS.

26 SECTION 19. THE ACT IS AMENDED BY ADDING A SECTION TO READ:
27 SECTION 319.1. PAYMENT OF TAXES WITHHELD FOR NON-EMPLOYER
28 PAYORS.--EVERY PAYOR WITHHOLDING TAX UNDER SECTION 316.2 SHALL
29 PAY OVER TO THE DEPARTMENT OR TO A DEPOSITORY DESIGNATED BY THE
30 DEPARTMENT THE TAX REQUIRED TO BE DEDUCTED AND WITHHELD UNDER

1 SECTION 316.2. THE TIME FOR PAYING OVER THE WITHHELD TAX SHALL
2 BE AS SET FORTH IN SECTION 319(1), (2), (3) AND (4).

3 SECTION 20. SECTION 320 OF THE ACT, AMENDED JULY 13, 2016
4 (P.L.526, NO.84), IS AMENDED TO READ:

5 SECTION 320. LIABILITY FOR WITHHELD TAXES.--EVERY PERSON
6 REQUIRED TO DEDUCT AND WITHHOLD TAX UNDER [THIS PART] SECTION
7 316.1 IS HEREBY MADE LIABLE FOR SUCH TAX. FOR PURPOSES OF
8 ASSESSMENT AND COLLECTION, ANY AMOUNT REQUIRED TO BE WITHHELD
9 AND PAID OVER TO THE DEPARTMENT AND ANY ADDITIONS TO TAX
10 PENALTIES AND INTEREST WITH RESPECT THERETO, SHALL BE CONSIDERED
11 THE TAX OF THE PERSON. ALL TAXES DEDUCTED AND WITHHELD PURSUANT
12 TO [THIS PART] SECTION 316.1 OR UNDER COLOR OF [THIS PART]
13 SECTION 316.1 SHALL CONSTITUTE A TRUST FUND FOR THE COMMONWEALTH
14 AND SHALL BE ENFORCEABLE AGAINST SUCH PERSON, HIS REPRESENTATIVE
15 OR ANY OTHER PERSON RECEIVING ANY PART OF SUCH FUND.

16 SECTION 21. THE ACT IS AMENDED BY ADDING SECTIONS TO READ:

17 SECTION 320.1. PAYOR'S LIABILITY FOR WITHHELD TAXES.--EVERY
18 PAYOR REQUIRED TO DEDUCT AND WITHHOLD TAX UNDER SECTION 316.2 IS
19 HEREBY MADE LIABLE FOR SUCH TAX. FOR PURPOSES OF ASSESSMENT AND
20 COLLECTION, ANY AMOUNT REQUIRED TO BE WITHHELD AND PAID OVER TO
21 THE DEPARTMENT AND ANY ADDITIONS TO TAX, PENALTIES, AND INTEREST
22 WITH RESPECT THERETO SHALL BE CONSIDERED THE TAX OF THE PAYOR.
23 ALL TAXES DEDUCTED AND WITHHELD FROM PAYEES PURSUANT TO SECTION
24 316.2 OR UNDER COLOR OF SECTION 316.2 SHALL CONSTITUTE A TRUST
25 FUND FOR THE COMMONWEALTH AND SHALL BE ENFORCEABLE AGAINST SUCH
26 PAYOR, HIS REPRESENTATIVE OR ANY OTHER PERSON RECEIVING ANY PART
27 OF SUCH FUND.

28 SECTION 321.2. PAYOR'S FAILURE TO WITHHOLD.--IF A PAYOR
29 FAILS TO DEDUCT AND WITHHOLD TAX AS PRESCRIBED UNDER SECTION
30 316.2 AND THEREAFTER THE TAX WHICH MAY BE CREDITED IS PAID, THE

1 TAX WHICH WAS REQUIRED TO BE DEDUCTED AND WITHHELD SHALL NOT BE
2 COLLECTED FROM THE PAYOR, BUT THE PAYOR SHALL NOT BE RELIEVED OF
3 THE LIABILITY FOR ANY PENALTY, INTEREST OR ADDITIONS TO THE TAX
4 IMPOSED WITH RESPECT TO SUCH FAILURE TO DEDUCT AND WITHHOLD.

5 SECTION 22. THE HEADING OF PART VII-A OF ARTICLE III OF THE
6 ACT IS AMENDED TO READ:

7 PART VII-A

8 WITHHOLDING TAX ON [SHARES ON] INCOME FROM SOURCES
9 WITHIN THIS COMMONWEALTH

10 SECTION 23. SECTION 324.1 OF THE ACT IS AMENDED BY ADDING A
11 SUBSECTION TO READ:

12 SECTION 324.1. AMOUNT OF WITHHOLDING TAX.--* * *

13 (C) THERE SHALL NOT BE TAKEN INTO ACCOUNT ANY SHARE OF
14 INCOME OF NONRESIDENT PARTNER, MEMBER OR SHAREHOLDER FROM
15 SOURCES WITHIN THIS COMMONWEALTH TO THE EXTENT THAT THE AMOUNT
16 WAS SUBJECT TO WITHHOLDING UNDER SECTION 324.4 AND TO THE EXTENT
17 WITHHOLDING ACTUALLY OCCURRED UNDER SECTION 324.4 BY THE TIME
18 WITHHOLDING IS REQUIRED TO BE MADE BY THE PARTNERSHIP,
19 ASSOCIATION OR PENNSYLVANIA S CORPORATION UNDER SECTION 324.

20 SECTION 24. SECTION 324.2 OF THE ACT IS AMENDED TO READ:

21 SECTION 324.2. TREATMENT OF NONRESIDENT PARTNERS, MEMBERS OR
22 SHAREHOLDERS.--(A) EACH NONRESIDENT PARTNER, MEMBER,
23 SHAREHOLDER OR HOLDER OF A BENEFICIAL INTEREST SHALL BE ALLOWED
24 A CREDIT FOR SUCH PARTNER'S, MEMBER'S, SHAREHOLDER'S OR HOLDER
25 OF A BENEFICIAL INTEREST'S SHARE OF THE WITHHOLDING TAX PAID BY
26 THE PARTNERSHIP, ASSOCIATION OR PENNSYLVANIA S CORPORATION. SUCH
27 CREDIT SHALL BE ALLOWED FOR THE PARTNER'S, MEMBER'S,
28 SHAREHOLDER'S OR HOLDER OF A BENEFICIAL INTEREST'S TAXABLE YEAR
29 IN WHICH, OR WITH WHICH, THE PARTNERSHIP, ASSOCIATION OR
30 PENNSYLVANIA S CORPORATION TAXABLE YEAR (FOR WHICH SUCH TAX WAS

1 PAID) ENDS.

2 (B) EACH NONRESIDENT LESSOR SHALL BE ALLOWED A CREDIT FOR
3 THE NONRESIDENT LESSOR'S SHARE OF THE WITHHOLDING TAX PAID BY
4 THE LESSEE UNDER SECTION 324.4.

5 (C) THE CREDITS UNDER THIS SECTION SHALL BE ALLOWED FOR THE
6 NONRESIDENT LESSOR'S TAXABLE YEAR IN WHICH THE LESSEE WITHHELD
7 TAX.

8 SECTION 25. THE ACT IS AMENDED BY ADDING SECTIONS TO READ:

9 SECTION 324.4. WITHHOLDING ON INCOME.--(A) EVERY LESSEE OF
10 PENNSYLVANIA REAL ESTATE WHO MAKES A LEASE PAYMENT IN THE COURSE
11 OF A TRADE OR BUSINESS TO A NONRESIDENT LESSOR SHALL WITHHOLD
12 PENNSYLVANIA PERSONAL INCOME TAX ON RENTAL PAYMENTS TO SUCH
13 NONRESIDENT LESSOR.

14 (B) EVERY LESSEE SHALL WITHHOLD FROM EACH PAYMENT MADE TO A
15 LESSOR AN AMOUNT EQUAL TO THE NET AMOUNT PAYABLE TO THE LESSOR
16 MULTIPLIED BY THE TAX RATE SPECIFIED UNDER SECTION 302(B).

17 (C) (RESERVED).

18 (D) THE WITHHOLDING OF TAX UNDER THIS SECTION IS OPTIONAL
19 AND AT THE DISCRETION OF THE LESSEE WITH RESPECT TO PAYMENTS TO
20 A LESSOR WHO RECEIVES LESS THAN \$5,000 ANNUALLY ON A LEASE.

21 (E) FOR PURPOSES OF THIS SECTION, THE TERM OR PHRASE:

22 (1) "LESSOR" SHALL INCLUDE AN INDIVIDUAL, ESTATE, OR TRUST.

23 (2) "LEASE PAYMENT" SHALL INCLUDE, BUT NOT BE LIMITED TO
24 RENTS, ROYALTIES, BONUS PAYMENTS, DAMAGE PAYMENTS, DELAY RENTS
25 AND OTHER PAYMENTS MADE PURSUANT TO A LEASE, OTHER THAN
26 COMPENSATION DERIVED FROM INTANGIBLE PROPERTY HAVING A TAXABLE
27 OR BUSINESS SITUS IN THIS COMMONWEALTH. CLASSIFICATION AS A
28 "LEASE PAYMENT" UNDER THIS SECTION IS SOLELY FOR THE PURPOSES OF
29 ESTABLISHING WITHHOLDING REQUIREMENTS AND SHALL NOT BE RELEVANT
30 FOR A DETERMINATION AS TO THE PROPER INCOME CLASSIFICATION OF

1 ANY SUCH LEASE PAYMENT.

2 (3) "IN THE COURSE OF A TRADE OR BUSINESS" SHALL INCLUDE ANY
3 PERSON OR BUSINESS ENTITY MAKING LEASE PAYMENTS TO A NONRESIDENT
4 OR AGENT OF A NONRESIDENT WHO COLLECTS RENT OR LEASE PAYMENTS ON
5 BEHALF OF A NONRESIDENT OWNER, OTHER THAN A TENANT OF
6 RESIDENTIAL PROPERTY.

7 SECTION 324.5. ANNUAL WITHHOLDING STATEMENT.-- (A) EVERY
8 LESSEE SHALL FURNISH TO EACH LESSOR AN ANNUAL STATEMENT AT SUCH
9 TIME AND IN SUCH MANNER AS MAY BE PRESCRIBED BY THE DEPARTMENT
10 SHOWING THE TOTAL PAYMENTS MADE BY THE LESSEE TO THE LESSOR
11 DURING THE PRECEDING TAXABLE YEAR AND SHOWING THE AMOUNT OF THE
12 TAX DEDUCTED AND WITHHELD FROM THE PAYMENTS UNDER SECTION 324.4.

13 (B) EVERY LESSEE SHALL FILE WITH THE DEPARTMENT AN ANNUAL
14 STATEMENT AT SUCH TIME AND IN SUCH MANNER AS MAY BE PRESCRIBED
15 BY THE DEPARTMENT SHOWING THE TOTAL PAYMENTS MADE TO EACH LESSOR
16 SUBJECT TO WITHHOLDING DURING THE PRECEDING TAXABLE YEAR OR ANY
17 PORTION OF THE PRECEDING TAXABLE YEAR AND THE TOTAL AMOUNT OF
18 TAX DEDUCTED AND WITHHELD UNDER SECTION 324.4.

19 (C) EVERY LESSOR SHALL FILE A DUPLICATE OF THE ANNUAL
20 STATEMENT FURNISHED BY THE LESSEE UNDER THIS SECTION WITH THE
21 LESSOR'S STATE INCOME TAX RETURN.

22 SECTION 26. SECTIONS 335(F) AND 352(F), (H) AND (J) OF THE
23 ACT ARE AMENDED TO READ:

24 SECTION 335. REQUIREMENTS CONCERNING RETURNS, NOTICES,
25 RECORDS AND STATEMENTS.--* * *

26 (F) THE FOLLOWING APPLY:

27 (1) ANY PERSON WHO:

28 (I) MAKES PAYMENTS OF PENNSYLVANIA SOURCE INCOME [FROM
29 SOURCES WITHIN THIS COMMONWEALTH] THAT FALL WITHIN ANY OF THE
30 EIGHT CLASSES OF INCOME ENUMERATED IN SECTION 303(A);

1 (II) MAKES SUCH PAYMENTS [OF NONEMPLOYEE COMPENSATION OR
2 PAYMENTS UNDER AN OIL AND GAS LEASE UNDER SUBPARAGRAPH (I) TO A
3 RESIDENT OR NONRESIDENT] TO AN INDIVIDUAL, AN ENTITY TREATED AS
4 A PARTNERSHIP FOR TAX PURPOSES OR A SINGLE MEMBER LIMITED
5 LIABILITY COMPANY; AND

6 (III) IS REQUIRED TO MAKE A FORM 1099-MISC RETURN TO THE
7 SECRETARY OF THE TREASURY OF THE UNITED STATES WITH RESPECT TO
8 [THE] SUCH PAYMENTS, SHALL FILE A COPY OF SUCH FORM 1099-MISC
9 WITH THE DEPARTMENT AND SEND A COPY OF SUCH FORM 1099-MISC TO
10 THE PAYEE BY [THE FEDERAL FILING DEADLINE] MARCH 1 EACH YEAR[.]
11 OR, IF FILED ELECTRONICALLY, BY MARCH 31 OF EACH YEAR. IF THE
12 FORM 1099-MISC FILED BY A PAYOR WITH THE SECRETARY OF THE
13 TREASURY OF THE UNITED STATES IS NOT COMPLETED IN SUCH A MANNER
14 THAT STATE INCOME AND STATE TAX WITHHELD INFORMATION, CURRENTLY
15 BOXES 16 THROUGH 18 ON FEDERAL FORM 1099-MISC, IS REFLECTED
16 THEREON, THE PAYOR SHALL UPDATE THE COPIES OF FORM 1099-MISC TO
17 BE PROVIDED PURSUANT TO THIS SECTION TO REFLECT SUCH INFORMATION
18 PRIOR TO FILING IT WITH THE DEPARTMENT AND SENDING IT TO THE
19 PAYEE.

20 (2) IF THE PAYOR IS REQUIRED TO PERFORM ELECTRONIC FILING
21 FOR PENNSYLVANIA EMPLOYER WITHHOLDING PURPOSES, THE FORM 1099-
22 MISC SHALL BE FILED ELECTRONICALLY WITH THE DEPARTMENT.

23 (3) AS USED IN THIS SUBSECTION, THE FOLLOWING WORDS AND
24 PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS PARAGRAPH
25 UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

26 "PAYEE." THE PERSON RECEIVING THE PAYMENTS SUBJECT TO
27 WITHHOLDING UNDER THIS SUBSECTION.

28 "PAYMENTS." THE TERM DOES NOT INCLUDE A PARTNER OR
29 SHAREHOLDER'S DISTRIBUTIVE SHARE OF INCOME FROM A PARTNERSHIP OR
30 PENNSYLVANIA S CORPORATION.

1 "PAYOR." THE PERSON REQUIRED TO WITHHOLD UNDER THIS
2 SUBSECTION.

3 * * *

4 SECTION 352. ADDITIONS, PENALTIES AND FEES.--* * *

5 (F) (1) ANY PERSON REQUIRED UNDER THE PROVISIONS OF SECTION
6 317 TO FURNISH A STATEMENT TO AN EMPLOYEE WHO WILFULLY FURNISHES
7 A FALSE OR FRAUDULENT STATEMENT, OR WHO WILFULLY FAILS TO
8 FURNISH A STATEMENT IN THE MANNER, AT THE TIME, AND SHOWING THE
9 INFORMATION REQUIRED UNDER SECTION 317 AND THE REGULATIONS
10 PRESCRIBED THEREUNDER, SHALL, FOR EACH SUCH FAILURE, BE SUBJECT
11 TO A PENALTY OF FIFTY DOLLARS (\$50) FOR EACH EMPLOYEE.

12 (2) ANY PERSON REQUIRED TO FURNISH AN INFORMATION RETURN WHO
13 FURNISHES A FALSE OR FRAUDULENT RETURN OR WHO FAILS TO FILE OR
14 PROVIDE AN INFORMATION RETURN SHALL BE SUBJECT TO A PENALTY OF
15 TWO HUNDRED FIFTY DOLLARS (\$250).

16 (3) EVERY PARTNERSHIP, ESTATE, TRUST OR PENNSYLVANIA S
17 CORPORATION REQUIRED TO FILE A RETURN WITH THE DEPARTMENT UNDER
18 THE PROVISIONS OF SECTION 330.1 OR 335(C) WHO FURNISHES A FALSE
19 OR FRAUDULENT RETURN OR WHO FAILS TO FILE THE RETURN IN THE
20 MANNER AND AT THE TIME REQUIRED UNDER SECTION 330.1 OR 335(C)
21 SHALL BE SUBJECT TO A PENALTY OF \$250 FOR EACH FAILURE.

22 (4) ANY PERSON REQUIRED TO FILE A COPY OF FORM 1099-MISC
23 WITH THE DEPARTMENT UNDER THE PROVISIONS OF SECTION 335(F) WHO
24 WILFULLY FURNISHES A FALSE OR FRAUDULENT FORM OR WHO WILFULLY
25 FAILS TO FILE THE FORM IN THE MANNER, AT THE TIME AND SHOWING
26 THE INFORMATION REQUIRED UNDER SECTION 335(F) SHALL, FOR EACH
27 SUCH FAILURE, BE SUBJECT TO A PENALTY OF FIFTY DOLLARS (\$50).

28 (5) ANY PERSON REQUIRED UNDER THE PROVISIONS OF SECTION
29 335(F) TO FURNISH A COPY OF FORM 1099-MISC TO A PAYEE WHO
30 WILFULLY FURNISHES A FALSE OR FRAUDULENT FORM OR WHO WILFULLY

1 FAILS TO FURNISH A FORM IN THE MANNER, AT THE TIME AND SHOWING
2 THE INFORMATION REQUIRED BY SECTION 335(F) SHALL, FOR EACH SUCH
3 FAILURE, BE SUBJECT TO A PENALTY OF FIFTY DOLLARS (\$50).

4 (6) ANY PERSON REQUIRED TO FILE AN ANNUAL STATEMENT WITH THE
5 DEPARTMENT UNDER THE PROVISIONS OF SECTION 324.5 WHO WILFULLY
6 FURNISHES A FALSE OR FRAUDULENT STATEMENT OR WHO WILFULLY FAILS
7 TO FILE THE STATEMENT IN THE MANNER, AT THE TIME AND SHOWING THE
8 INFORMATION REQUIRED UNDER SECTION 324.5 AND THE REGULATIONS
9 PRESCRIBED UNDER SECTION 324.5 SHALL, FOR EACH SUCH FAILURE, BE
10 SUBJECT TO A PENALTY OF FIFTY DOLLARS (\$50).

11 (7) ANY PERSON REQUIRED UNDER THE PROVISIONS OF SECTION
12 324.5 TO FURNISH AN ANNUAL STATEMENT TO A LESSOR WHO WILFULLY
13 FURNISHES A FALSE OR FRAUDULENT STATEMENT OR WHO WILFULLY FAILS
14 TO FURNISH A STATEMENT IN THE MANNER, AT THE TIME AND SHOWING
15 THE INFORMATION REQUIRED BY SECTION 324.5 AND THE REGULATIONS
16 PRESCRIBED UNDER SECTION 324.5 SHALL, FOR EACH SUCH FAILURE, BE
17 SUBJECT TO A PENALTY OF FIFTY DOLLARS (\$50).

18 * * *

19 (H) IF ANY AMOUNT OF TAX REQUIRED TO BE WITHHELD BY AN
20 EMPLOYER AND PAID OVER TO THE DEPARTMENT UNDER SECTION 319 OR
21 319.1 IS NOT PAID ON OR BEFORE THE DUE DATE PRESCRIBED FOR
22 FILING THE QUARTERLY RETURN UNDER SECTION 318 OR 318.1,
23 DETERMINED WITHOUT REGARD TO AN EXTENSION OF TIME FOR FILING,
24 THERE SHALL BE ADDED TO THE TAX AND PAID TO THE DEPARTMENT EACH
25 MONTH FIVE PER CENT OF SUCH UNDERPAYMENT FOR EACH MONTH OR
26 FRACTION THEREOF FROM THE DUE DATE, FOR THE PERIOD FROM THE DUE
27 DATE TO THE DATE PAID; BUT THE UNDERPAYMENT SHALL, FOR PURPOSES
28 OF COMPUTING THE ADDITION FOR ANY MONTH, BE REDUCED BY THE
29 AMOUNT OF ANY PART OF THE TAX WHICH IS PAID BY THE BEGINNING OF
30 THAT MONTH. THE TOTAL OF SUCH ADDITIONS SHALL NOT EXCEED FIFTY

1 PER CENT OF THE AMOUNT OF TAX REQUIRED TO BE SHOWN ON THE RETURN
2 REDUCED BY THE AMOUNT OF ANY PART OF THE TAX WHICH IS PAID BY
3 THE RETURN DUE DATE AND BY THE AMOUNT OF ANY CREDIT AGAINST THE
4 TAX WHICH MAY BE CLAIMED ON THE RETURN.

5 * * *

6 (J) IF ANY AMOUNT OF TAX REQUIRED TO BE WITHHELD BY A
7 PARTNERSHIP, ASSOCIATION [OR], PENNSYLVANIA S CORPORATION OR
8 LESSEE AND PAID OVER TO THE DEPARTMENT UNDER SECTION 324 OR
9 324.4 IS NOT PAID ON OR BEFORE THE DATE PRESCRIBED THEREFOR,
10 THERE SHALL BE ADDED TO THE TAX AND PAID TO THE DEPARTMENT EACH
11 MONTH FIVE PER CENT OF SUCH UNDERPAYMENT FOR EACH MONTH OR
12 FRACTION THEREOF FROM THE DUE DATE, FOR THE PERIOD FROM THE DUE
13 DATE TO THE DATE PAID; BUT THE UNDERPAYMENT SHALL, FOR PURPOSES
14 OF COMPUTING THE ADDITION FOR ANY MONTH, BE REDUCED BY THE
15 AMOUNT OF ANY PART OF THE TAX WHICH IS PAID BY THE BEGINNING OF
16 THAT MONTH. THE TOTAL OF SUCH ADDITIONS SHALL NOT EXCEED FIFTY
17 PER CENT OF THE AMOUNT OF SUCH TAX.

18 SECTION 27. SECTION 401(3)4(C) OF THE ACT IS AMENDED AND THE
19 SUBSECTION IS AMENDED BY ADDING A CLAUSE TO READ:

20 SECTION 401. DEFINITIONS.--THE FOLLOWING WORDS, TERMS, AND
21 PHRASES, WHEN USED IN THIS ARTICLE, SHALL HAVE THE MEANING
22 ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT
23 CLEARLY INDICATES A DIFFERENT MEANING:

24 * * *

25 (3) "TAXABLE INCOME." * * *

26 4. * * *

27 (C) (1) THE NET LOSS DEDUCTION SHALL BE THE LESSER OF:

28 (A) (I) FOR TAXABLE YEARS BEGINNING BEFORE JANUARY 1, 2007,
29 TWO MILLION DOLLARS (\$2,000,000);

30 (II) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2006,

1 THE GREATER OF TWELVE AND ONE-HALF PER CENT OF TAXABLE INCOME AS
2 DETERMINED UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR
3 THREE MILLION DOLLARS (\$3,000,000);

4 (III) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2008,
5 THE GREATER OF FIFTEEN PER CENT OF TAXABLE INCOME AS DETERMINED
6 UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR THREE
7 MILLION DOLLARS (\$3,000,000);

8 (IV) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2009,
9 THE GREATER OF TWENTY PER CENT OF TAXABLE INCOME AS DETERMINED
10 UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR THREE
11 MILLION DOLLARS (\$3,000,000);

12 (V) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2013, THE
13 GREATER OF TWENTY-FIVE PER CENT OF TAXABLE INCOME AS DETERMINED
14 UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR FOUR MILLION
15 DOLLARS (\$4,000,000);

16 (VI) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2014,
17 THE GREATER OF THIRTY PER CENT OF TAXABLE INCOME AS DETERMINED
18 UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR FIVE MILLION
19 DOLLARS (\$5,000,000); [OR]

20 (VII) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2017,
21 THIRTY-FIVE PER CENT OF TAXABLE INCOME AS DETERMINED UNDER
22 SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2;

23 (VIII) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2018,
24 FORTY PER CENT OF TAXABLE INCOME AS DETERMINED UNDER SUBCLAUSE 1
25 OR, IF APPLICABLE, SUBCLAUSE 2; OR

26 (B) THE AMOUNT OF THE NET LOSS OR LOSSES WHICH MAY BE
27 CARRIED OVER TO THE TAXABLE YEAR OR TAXABLE INCOME AS DETERMINED
28 UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2.

29 (1.1) IN NO EVENT SHALL THE NET LOSS DEDUCTION INCLUDE MORE
30 THAN FIVE HUNDRED THOUSAND DOLLARS (\$500,000), IN THE AGGREGATE,

1 OF NET LOSSES FROM TAXABLE YEARS 1988 THROUGH 1994.

2 (2) (A) A NET LOSS FOR A TAXABLE YEAR MAY ONLY BE CARRIED
3 OVER PURSUANT TO THE FOLLOWING SCHEDULE:

4	TAXABLE YEAR	CARRYOVER
5	1981	1 TAXABLE YEAR
6	1982	2 TAXABLE YEARS
7	1983-1987	3 TAXABLE YEARS
8	1988	2 TAXABLE YEARS PLUS
9		1 TAXABLE YEAR
10		STARTING WITH THE
11		1995 TAXABLE YEAR
12	1989	1 TAXABLE YEAR PLUS
13		2 TAXABLE YEARS
14		STARTING WITH THE
15		1995 TAXABLE YEAR
16	1990-1993	3 TAXABLE YEARS
17		STARTING WITH THE
18		1995 TAXABLE YEAR
19	1994	1 TAXABLE YEAR
20	1995-1997	10 TAXABLE YEARS
21	1998 AND THEREAFTER	20 TAXABLE YEARS

22 (B) THE EARLIEST NET LOSS SHALL BE CARRIED OVER TO THE
23 EARLIEST TAXABLE YEAR TO WHICH IT MAY BE CARRIED UNDER THIS
24 SCHEDULE. THE TOTAL NET LOSS DEDUCTION ALLOWED IN ANY TAXABLE
25 YEAR SHALL NOT EXCEED:

26 (I) TWO MILLION DOLLARS (\$2,000,000) FOR TAXABLE YEARS
27 BEGINNING BEFORE JANUARY 1, 2007.

28 (II) THE GREATER OF TWELVE AND ONE-HALF PER CENT OF THE
29 TAXABLE INCOME AS DETERMINED UNDER SUBCLAUSE 1 OR, IF
30 APPLICABLE, SUBCLAUSE 2 OR THREE MILLION DOLLARS (\$3,000,000)

1 FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2006.

2 (III) THE GREATER OF FIFTEEN PER CENT OF THE TAXABLE INCOME
3 AS DETERMINED UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2
4 OR THREE MILLION DOLLARS (\$3,000,000) FOR TAXABLE YEARS
5 BEGINNING AFTER DECEMBER 31, 2008.

6 (IV) THE GREATER OF TWENTY PER CENT OF THE TAXABLE INCOME AS
7 DETERMINED UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR
8 THREE MILLION DOLLARS (\$3,000,000) FOR TAXABLE YEARS BEGINNING
9 AFTER DECEMBER 31, 2009.

10 (V) THE GREATER OF TWENTY-FIVE PER CENT OF TAXABLE INCOME AS
11 DETERMINED UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR
12 FOUR MILLION DOLLARS (\$4,000,000) FOR TAXABLE YEARS BEGINNING
13 AFTER DECEMBER 31, 2013.

14 (VI) THE GREATER OF THIRTY PER CENT OF TAXABLE INCOME AS
15 DETERMINED UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR
16 FIVE MILLION DOLLARS (\$5,000,000) FOR TAXABLE YEARS BEGINNING
17 AFTER DECEMBER 31, 2014.

18 (VII) THIRTY-FIVE PER CENT OF TAXABLE INCOME AS DETERMINED
19 UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 FOR TAXABLE
20 YEARS BEGINNING AFTER DECEMBER 31, 2017.

21 (VIII) FORTY PER CENT OF TAXABLE INCOME AS DETERMINED UNDER
22 SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 FOR TAXABLE YEARS
23 BEGINNING AFTER DECEMBER 31, 2018.

24 (C.1) A DEDUCTION UNDER PART IV.1 SHALL BE ALLOWED FROM
25 TAXABLE INCOME AS PROSCRIBED IN A SATISFACTION COMMITMENT LETTER
26 EXECUTED BETWEEN THE DEPARTMENT OF COMMUNITY AND ECONOMIC
27 DEVELOPMENT AND A TAXPAYER UNDER SECTION 407.7(C).

28 * * *

29 SECTION 28. ARTICLE IV OF THE ACT IS AMENDED BY ADDING A
30 PART TO READ:

1 PART IV-A

2 QUALIFIED MANUFACTURING INNOVATION

3 AND REINVESTMENT DEDUCTION

4 SECTION 407.6. DEFINITIONS.-- (A) FOR THE PURPOSES OF THIS
5 PART ONLY, THE FOLLOWING WORDS, TERMS AND PHRASES SHALL HAVE THE
6 MEANING ASCRIBED TO THEM IN THIS SUBSECTION, EXCEPT WHERE THE
7 CONTEXT CLEARLY INDICATES A DIFFERENT MEANING:

8 (1) "ANNUAL TAXABLE PAYROLL." THE TOTAL AMOUNT OF WAGES
9 PAID IN THIS COMMONWEALTH BY A TAXPAYER FOR THE BASE YEAR OR
10 YEAR ONE, AS APPLICABLE, FROM WHICH PERSONAL INCOME TAX UNDER
11 ARTICLE III IS WITHHELD.

12 (2) "BASE YEAR." THE FOUR CALENDAR QUARTERS PRECEDING THE
13 START DATE.

14 (3) "DEPARTMENT." THE DEPARTMENT OF COMMUNITY AND ECONOMIC
15 DEVELOPMENT OF THE COMMONWEALTH.

16 (4) "MANUFACTURE." THE MECHANICAL, PHYSICAL, BIOLOGICAL OR
17 CHEMICAL TRANSFORMATION OF MATERIALS, SUBSTANCES OR COMPONENTS
18 INTO NEW PRODUCTS THAT ARE CREATIONS OF NEW ITEMS OF TANGIBLE
19 PERSONAL PROPERTY FOR SALE.

20 (5) "QUALIFIED MANUFACTURING INNOVATION AND REINVESTMENT
21 DEDUCTION." AN ALLOWABLE DEDUCTION AS DETERMINED, CALCULATED
22 AND EXECUTED IN A COMMITMENT LETTER BETWEEN THE DEPARTMENT AND
23 THE TAXPAYER.

24 (6) "QUALIFIED TAX LIABILITY." A TAXPAYER'S TAX LIABILITY
25 UNDER THIS ARTICLE.

26 (7) "START DATE." THE FIRST DAY OF THE CALENDAR QUARTER IN
27 WHICH A TAXPAYER ADVISES THE DEPARTMENT OF THE TAXPAYER'S INTENT
28 TO INITIATE AN ELIGIBLE PROJECT UNLESS THE APPLICANT REQUESTS
29 AND THE DEPARTMENT AGREES TO A LATER START DATE.

30 (8) "TAXPAYER." AN EMPLOYER SUBJECT TO THE TAX UNDER THIS

1 ARTICLE.

2 (9) "YEAR ONE." THE FOUR CALENDAR QUARTERS IMMEDIATELY
3 FOLLOWING THE START DATE.

4 SECTION 407.7. MANUFACTURING INNOVATION AND REINVESTMENT
5 DEDUCTION.-- (A) IN ORDER TO BE ELIGIBLE TO RECEIVE A
6 MANUFACTURING INNOVATION AND REINVESTMENT DEDUCTION, A TAXPAYER
7 MUST DEMONSTRATE TO THE DEPARTMENT A CAPITAL INVESTMENT IN
8 EXCESS OF ONE HUNDRED MILLION DOLLARS (\$100,000,000) FOR THE
9 CREATION OF NEW OR REFURBISHED MANUFACTURING CAPACITY WITHIN
10 THREE YEARS OF A DESIGNATED START DATE.

11 (B) (1) A TAXPAYER MUST ADVISE THE DEPARTMENT IN ADVANCE OF
12 THE START DATE OF ANY PROJECT FOR WHICH THE TAXPAYER MAY SEEK A
13 QUALIFIED MANUFACTURING INNOVATION AND REINVESTMENT DEDUCTION. A
14 TAXPAYER MUST ATTEST THE TAXPAYER'S INTENT TO MEET THE
15 ELIGIBILITY CRITERIA AND PROVIDE RELEVANT INFORMATION PERTINENT
16 TO THE PROJECT'S SIZE AND SCOPE IN A MANNER AS DETERMINED BY THE
17 DEPARTMENT.

18 (2) WITHIN FIVE YEARS OF A PROJECT'S START DATE, A TAXPAYER
19 MUST COMPLETE TO THE DEPARTMENT'S SATISFACTION AN APPLICATION ON
20 A FORM AND IN A MANNER AS DETERMINED BY THE DEPARTMENT TO ATTEST
21 THAT THE PROJECT HAS BEEN COMPLETED AND THE ELIGIBILITY CRITERIA
22 HAS BEEN SATISFIED.

23 (C) UPON THE RECEIPT OF THE TAXPAYER'S APPLICATION, THE
24 DEPARTMENT OF REVENUE MUST MAKE A FINDING THAT THE APPLICANT HAS
25 FILED ALL REQUIRED STATE TAX REPORTS AND RETURNS FOR ALL
26 APPLICABLE TAX YEARS AND PAID ANY BALANCE OF STATE TAX DUE AS
27 DETERMINED AT SETTLEMENT, ASSESSMENT OR DETERMINATION AND THE
28 DEPARTMENT, THEN IN CONJUNCTION WITH THE DEPARTMENT OF REVENUE,
29 SHALL MAKE AN ELIGIBILITY OR SATISFACTION DETERMINATION WITHIN
30 NINETY DAYS OF SUBMISSION. IF THE DEPARTMENT MAKES A

1 SATISFACTION DETERMINATION, THE DEPARTMENT AND THE TAXPAYER
2 SHALL EXECUTE A SATISFACTION COMMITMENT LETTER CONTAINING THE
3 FOLLOWING:

4 (1) THE NUMBER OF NEW JOBS CREATED AND THEIR CORRESPONDING
5 DESCRIPTION.

6 (2) THE NUMBER OF NEW JOBS CREATED DURING CONSTRUCTION OF
7 THE PROJECT.

8 (3) THE AMOUNT OF PRIVATE CAPITAL INVESTMENT IN THE CREATION
9 OF NEW JOBS.

10 (4) THE INCREASE IN THE ANNUAL TAXABLE PAYROLL ATTRIBUTABLE
11 TO NEW MANUFACTURING JOBS.

12 (5) A DETERMINATION OF THE MAXIMUM ALLOWABLE DEDUCTION
13 AGAINST A TAXPAYER'S QUALIFIED TAX LIABILITY UNDER THIS ARTICLE.

14 (6) ANY OTHER INFORMATION AS THE DEPARTMENT DEEMS
15 APPROPRIATE.

16 (D) (1) UPON DETERMINING A TAXPAYER'S SATISFACTION OF THE
17 ELIGIBILITY CRITERIA, THE DEPARTMENT SHALL CALCULATE THE MAXIMUM
18 ALLOWABLE DEDUCTION THAT A TAXPAYER MAY CLAIM AGAINST THE
19 TAXPAYER'S TAXABLE INCOME UNDER THIS ARTICLE. THE DEDUCTION
20 SHALL BE EQUAL TO FIVE PER CENT OF THE PRIVATE CAPITAL
21 INVESTMENT UTILIZED IN THE CREATION OF NEW OR REFURBISHED
22 MANUFACTURING CAPACITY PER TAX YEAR FOR A PERIOD OF FIVE YEARS.

23 (2) A TAXPAYER MAY UTILIZE THE AMOUNT OF THE DEDUCTION IN
24 EACH YEAR OF THE SUCCEEDING FIVE TAX YEARS IMMEDIATELY FOLLOWING
25 THE DEPARTMENT'S SATISFACTION DETERMINATION AND THE EXECUTION OF
26 A SATISFACTION COMMITMENT LETTER.

27 (3) A TAXPAYER CANNOT USE THE DEDUCTION TO REDUCE ITS TAX
28 LIABILITY BY MORE THAN FIFTY PER CENT OF THE TAX LIABILITY UNDER
29 THIS ARTICLE FOR THE TAXABLE YEAR. THE DEDUCTION IS
30 NONTRANSFERABLE AND ANY UNUSED PORTION IN A TAX YEAR SHALL

1 EXPIRE AT THE END OF THE CORRESPONDING TAX YEAR.

2 SECTION 29. THE DEFINITION OF "VETERANS' ORGANIZATION" IN
3 SECTION 1101-C OF THE ACT, ADDED JULY 13, 2016 (P.L.526, NO.84),
4 IS AMENDED TO READ:

5 SECTION 1101-C. DEFINITIONS.--THE FOLLOWING WORDS WHEN USED
6 IN THIS ARTICLE SHALL HAVE THE MEANINGS ASCRIBED TO THEM IN THIS
7 SECTION:

8 * * *

9 "VETERANS' SERVICE ORGANIZATION." A NOT-FOR-PROFIT
10 ORGANIZATION THAT [IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE
11 AS A TAX EXEMPT ORGANIZATION DESCRIBED UNDER SECTION 501(C)(19)
12 OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26
13 U.S.C. § 501(C)(19)). FOR THE PURPOSES OF THIS ARTICLE, THE TERM
14 SHALL ONLY INCLUDE A NOT-FOR-PROFIT ORGANIZATION FOR THE PERIOD
15 IN WHICH THE ORGANIZATION HAS A VALID TAX EXEMPTION UNDER
16 SECTION 501(C)(19) OF THE INTERNAL REVENUE CODE OF 1986, AS
17 DETERMINED BY THE INTERNAL REVENUE SERVICE.] HAS BEEN CHARTERED
18 BY THE CONGRESS OF THE UNITED STATES TO SERVICE VETERANS OR IS A
19 MEMBER OF THE PENNSYLVANIA STATE VETERANS' COMMISSION UNDER 51
20 PA.C.S. CH. 17 (RELATING TO STATE VETERANS' COMMISSION AND
21 DEPUTY ADJUTANT GENERAL FOR VETERANS' AFFAIRS).

22 * * *

23 SECTION 30. SECTION 1102-C.2 OF THE ACT, AMENDED JULY 13,
24 2016 (P.L.526, NO.84), IS AMENDED TO READ:

25 SECTION 1102-C.2. EXEMPT PARTIES.--THE UNITED STATES, THE
26 COMMONWEALTH OR ANY OF THEIR INSTRUMENTALITIES, AGENCIES OR
27 POLITICAL SUBDIVISIONS, OR VETERANS' SERVICE ORGANIZATIONS SHALL
28 BE EXEMPT FROM PAYMENT OF THE TAX IMPOSED BY THIS ARTICLE. THE
29 EXEMPTION UNDER THIS SECTION SHALL NOT, HOWEVER, RELIEVE ANY
30 OTHER PARTY TO A TRANSACTION FROM LIABILITY FOR THE TAX.

1 SECTION 31. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

2 ARTICLE XVII-A.1

3 TAX CREDIT ELIGIBILITY

4 SECTION 1701-A.1. DEFINITIONS.

5 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
6 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
7 CONTEXT CLEARLY INDICATES OTHERWISE:

8 "DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.

9 "TAX CREDIT." A TAX CREDIT AUTHORIZED UNDER ANY OF THE
10 FOLLOWING:

11 (1) ARTICLE XVII-B.

12 (2) ARTICLE XVII-D.

13 (3) ARTICLE XVII-E.

14 (4) ARTICLE XVII-G.

15 (5) ARTICLE XVII-H.

16 (6) ARTICLE XVII-I.

17 (7) ARTICLE XVII-J.

18 (8) ARTICLE XVII-K.

19 (9) ARTICLE XVIII.

20 (10) ARTICLE XVIII-B.

21 (11) ARTICLE XVIII-D.

22 (12) ARTICLE XVIII-E.

23 (13) ARTICLE XVIII-F.

24 (14) ARTICLE XVIII-G.

25 (15) ARTICLE XIX-A.

26 (16) ARTICLE XIX-E.

27 (17) SECTION 2010.

28 (18) ARTICLE XXIX-D.

29 (19) ARTICLE XX-B OF THE ACT OF MARCH 10, 1949 (P.L.30,
30 NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949.

1 SECTION 1702-A.1. ELIGIBILITY.

2 (A) BEFORE A TAX CREDIT CAN BE AWARDED, THE DEPARTMENT MUST
3 MAKE A FINDING THAT THE TAXPAYER HAS FILED ALL REQUIRED STATE
4 TAX REPORTS AND RETURNS FOR ALL APPLICABLE TAXABLE YEARS AND
5 PAID ANY BALANCE OF STATE TAX DUE AS DETERMINED AT SETTLEMENT OR
6 ASSESSMENT BY THE DEPARTMENT, UNLESS THE TAX DUE IS CURRENTLY
7 UNDER APPEAL.

8 SECTION 32. SECTION 1711-D OF THE ACT IS AMENDED BY ADDING
9 DEFINITIONS TO READ:

10 SECTION 1711-D. DEFINITIONS.

11 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS SUBARTICLE
12 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
13 CONTEXT CLEARLY INDICATES OTHERWISE:

14 "DETERIORATED PROPERTY." ANY BLIGHTED, IMPOVERISHED AREA
15 CONTAINING INDUSTRIAL, COMMERCIAL OR OTHER REAL PROPERTY THAT IS
16 ABANDONED, UNSAFE, VACANT, UNDERVALUED, UNDERUTILIZED,
17 OVERGROWN, DEFECTIVE, CONDEMNED, DEMOLISHED OR WHICH CONTAINS
18 ECONOMICALLY UNDESIRABLE LAND USE.

19 * * *

20 "FILM PRODUCTION TAX CREDIT DISTRICT." A DISTRICT AUTHORIZED
21 UNDER SECTION 1716.2-D.

22 * * *

23 SECTION 33. SECTION 1712-D OF THE ACT IS AMENDED BY ADDING A
24 SUBSECTION TO READ:

25 SECTION 1712-D. CREDIT FOR QUALIFIED FILM PRODUCTION EXPENSES.

26 * * *

27 (B.1) REVIEW AND APPROVAL OF APPLICATIONS FOR FILM
28 PRODUCTION TAX CREDIT DISTRICT ACTIVITY.--FOR APPLICATIONS
29 INVOLVING FILM PRODUCTION EXPENSES INCURRED WITHIN A DESIGNATED
30 FILM PRODUCTION TAX CREDIT DISTRICT AUTHORIZED UNDER SECTION

1 1716.2-D, THE DEPARTMENT SHALL ACCEPT APPLICATIONS AT ANY TIME.
2 APPLICATIONS SHALL BE REVIEWED BY THE DEPARTMENT UTILIZING THE
3 CRITERIA REQUIRED UNDER SUBSECTION (B). UPON DETERMINING THE
4 TAXPAYER HAS INCURRED OR WILL INCUR QUALIFIED FILM PRODUCTION
5 EXPENSES, THE DEPARTMENT SHALL APPROVE THE TAXPAYER FOR A TAX
6 CREDIT UTILIZING THE TAX CREDITS AUTHORIZED UNDER 1716.2-D, NOT
7 TO EXCEED THE AMOUNT AUTHORIZED FOR THE FISCAL YEAR.

8 * * *

9 SECTION 34. THE ACT IS AMENDED BY ADDING A SECTION TO READ:
10 SECTION 1716.2-D. FILM PRODUCTION TAX CREDIT DISTRICTS.

11 (A) ESTABLISHMENT.--THE DEPARTMENT MAY DESIGNATE NOT MORE
12 THAN TWO FILM PRODUCTION TAX CREDIT DISTRICTS FOR THE PURPOSE OF
13 ENHANCING, PROMOTING AND EXPANDING FILM PRODUCTION OPPORTUNITIES
14 AND ESTABLISHING A FILM PRODUCTION INDUSTRY WITHIN THIS
15 COMMONWEALTH.

16 (B) CRITERIA.--A FILM PRODUCTION TAX CREDIT DISTRICT SHALL:

17 (1) BE AT LEAST 55 ACRES IN SIZE.

18 (2) BE LOCATED ON DETERIORATED PROPERTY.

19 (3) BE COMPRISED OF A PARCEL THAT IS OR WILL BE OCCUPIED
20 BY TWO OR MORE QUALIFIED BUSINESSES THAT:

21 (I) IN THE AGGREGATE, MAKE A CAPITAL INVESTMENT OF
22 AT LEAST \$400,000,000 WITHIN THE DISTRICT WITHIN FIVE
23 YEARS AFTER THE EFFECTIVE DATE OF THE DESIGNATION OF THE
24 DISTRICT; AND

25 (II) ARE DEDICATED TO FILM PRODUCTION ACTIVITY,
26 POSTPRODUCTION ACTIVITY OR OTHER ACTIVITIES THAT DIRECTLY
27 OR INDIRECTLY SUPPORT FILM PRODUCTION ACTIVITY OCCURRING
28 WITHIN THE DISTRICT OR WITHIN THIS COMMONWEALTH.

29 (4) CONTAIN AT LEAST ONE QUALIFIED PRODUCTION FACILITY
30 AND SIX SOUNDSTAGES.

1 (C) APPLICATION.--THE FOLLOWING APPLY:

2 (1) AN APPLICATION TO DESIGNATE A FILM PRODUCTION TAX
3 CREDIT DISTRICT MAY BE MADE BY THE COUNTY OR MUNICIPALITY IN
4 WHICH ALL OR PART OF THE DISTRICT WILL BE LOCATED. THE
5 DEPARTMENT SHALL REVIEW THE APPLICATION AND, IF APPROVED,
6 ISSUE A DESIGNATION FOR THE FILM PRODUCTION TAX CREDIT
7 DISTRICT. THE APPLICATION PERIOD SHALL BE SET BY THE
8 DEPARTMENT.

9 (2) THE APPLICATION SHALL CONTAIN THE FOLLOWING
10 INFORMATION:

11 (I) THE GEOGRAPHIC AREA OF THE PROPOSED FILM
12 PRODUCTION TAX CREDIT DISTRICT.

13 (II) A DETAILED MAP OF THE PROPOSED DISTRICT,
14 INCLUDING GEOGRAPHIC BOUNDARIES, TOTAL AREA AND PRESENT
15 USE AND CONDITIONS OF THE LAND AND STRUCTURES.

16 (III) A DESCRIPTION OF THE CURRENT SOCIAL, ECONOMIC
17 AND DEMOGRAPHIC CHARACTERISTICS OF THE PROPOSED DISTRICT
18 AND ANTICIPATED IMPROVEMENTS IN EDUCATION, HEALTH, HUMAN
19 SERVICES, PUBLIC SAFETY AND EMPLOYMENT THAT WILL RESULT
20 FROM DESIGNATION OF THE DISTRICT.

21 (IV) A DESCRIPTION OF ANTICIPATED FILM PRODUCTION
22 ACTIVITY AND ANCILLARY ACTIVITIES IN THE PROPOSED
23 DISTRICT.

24 (V) EVIDENCE OF POTENTIAL PRIVATE AND PUBLIC
25 INVESTMENT IN THE PROPOSED DISTRICT.

26 (VI) THE ROLE OF THE PROPOSED DISTRICT IN REGIONAL
27 ECONOMIC AND COMMUNITY DEVELOPMENT.

28 (D) DESIGNATION PERIOD.--A DISTRICT DESIGNATED UNDER
29 SUBSECTION (C) SHALL EXPIRE 15 YEARS AFTER THE EFFECTIVE DATE OF
30 THE DESIGNATION.

1 (E) CONSTRUCTION.--THE TAX CREDITS AUTHORIZED UNDER THIS
2 SECTION ARE IN ADDITION TO THE TAX CREDITS UNDER SECTION 1716-
3 D(A) AND ARE AVAILABLE EXCLUSIVELY FOR ACTIVITIES OCCURRING
4 WITHIN THE DESIGNATED DISTRICT.

5 (F) ANNUAL TAX CREDITS.--THE DEPARTMENT MAY AUTHORIZE A TAX
6 CREDIT FOR A FILM PRODUCTION TAX CREDIT DISTRICT IN FISCAL YEAR
7 2019-2020 AND IN EACH FISCAL YEAR THEREAFTER.

8 SECTION 35. ARTICLE XVII-D OF THE ACT IS AMENDED BY ADDING A
9 SUBARTICLE TO READ:

10 SUBARTICLE E

11 ENTERTAINMENT ECONOMIC ENHANCEMENT PROGRAM

12 SECTION 1771-D. SCOPE OF SUBARTICLE.

13 THIS SUBARTICLE RELATES TO THE ENTERTAINMENT ECONOMIC
14 ENHANCEMENT PROGRAM.

15 SECTION 1772-D. DEFINITIONS.

16 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS SUBARTICLE
17 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
18 CONTEXT CLEARLY INDICATES OTHERWISE:

19 "CLASS 1 VENUE." A STADIUM, ARENA, OTHER STRUCTURE OR
20 PROPERTY OWNED BY A MUNICIPALITY OR AN AUTHORITY FORMED UNDER
21 ARTICLE XXV-A OF THE ACT OF JULY 28, 1953 (P.L.723, NO.230),
22 KNOWN AS THE SECOND CLASS COUNTY CODE, AT WHICH CONCERTS ARE
23 PERFORMED AND WHICH IS ALL OF THE FOLLOWING:

24 (1) LOCATED IN A CITY OF THE FIRST CLASS OR A COUNTY OF
25 THE SECOND CLASS.

26 (2) CONSTRUCTED IN A MANNER IN WHICH THE VENUE HAS A
27 SEATING CAPACITY OF AT LEAST 14,000.

28 "CLASS 2 VENUE." A STADIUM, ARENA OR OTHER STRUCTURE AT
29 WHICH CONCERTS ARE PERFORMED AND WHICH IS ALL OF THE FOLLOWING:

30 (1) LOCATED OUTSIDE THE GEOGRAPHIC BOUNDARIES OF A CITY

1 OF THE FIRST CLASS OR A COUNTY OF THE SECOND CLASS.

2 (2) CONSTRUCTED IN A MANNER IN WHICH THE VENUE HAS A
3 SEATING CAPACITY OF AT LEAST 6,000.

4 "CLASS 3 VENUE." A STADIUM, ARENA OR OTHER STRUCTURE WHICH
5 IS ANY OF THE FOLLOWING:

6 (1) LOCATED WITHIN A NEIGHBORHOOD IMPROVEMENT ZONE, AS
7 DEFINED IN SECTION 1902-B.

8 (2) OWNED BY OR AFFILIATED WITH A STATE-RELATED
9 INSTITUTION AS DEFINED IN 62 PA.C.S. § 103 (RELATING TO
10 DEFINITIONS).

11 (3) OWNED BY THE COMMONWEALTH AND AFFILIATED WITH THE
12 STATE SYSTEM OF HIGHER EDUCATION.

13 "CONCERT." A LIVE PERFORMANCE OF MUSIC IN THE PRESENCE OF
14 INDIVIDUALS WHO VIEW THE PERFORMANCE.

15 "CONCERT TOUR EQUIPMENT." INCLUDES STAGE, SET, SCENERY,
16 DESIGN ELEMENTS, AUTOMATION, RIGGING, TRUSSES, SPOTLIGHTS,
17 LIGHTING, SOUND EQUIPMENT, VIDEO EQUIPMENT, SPECIAL EFFECTS,
18 CASES, COMMUNICATION DEVICES, POWER DISTRIBUTION EQUIPMENT,
19 BACKLINE AND OTHER MISCELLANEOUS EQUIPMENT OR SUPPLIES USED
20 DURING A CONCERT OR REHEARSAL.

21 "DEPARTMENT." THE DEPARTMENT OF COMMUNITY AND ECONOMIC
22 DEVELOPMENT OF THE COMMONWEALTH.

23 "MAINTAINED A PLACE OF BUSINESS" OR "MAINTAINING A PLACE OF
24 BUSINESS." ALL OF THE FOLLOWING:

25 (1) HAVING, MAINTAINING OR USING WITHIN THIS
26 COMMONWEALTH AN OFFICE, WAREHOUSE OR OTHER PLACE OF BUSINESS.

27 (2) REGULARLY ENGAGING IN AN ACTIVITY AS A BUSINESS
28 WITHIN THIS COMMONWEALTH IN CONNECTION WITH THE LEASE, SALE
29 OR DELIVERY OF TANGIBLE PERSONAL PROPERTY OR THE PERFORMANCE
30 OF A SERVICE FOR RESIDENTS OF THIS COMMONWEALTH.

1 "MINIMUM REHEARSAL AND TOUR REQUIREMENTS." DURING A TOUR,
2 ALL OF THE FOLLOWING MUST OCCUR:

3 (1) THE PURCHASE OR RENTAL OF CONCERT TOUR EQUIPMENT
4 DELIVERED TO A LOCATION IN THIS COMMONWEALTH, IN AN AMOUNT OF
5 AT LEAST \$3,000,000, FROM COMPANIES LOCATED AND MAINTAINING A
6 PLACE OF BUSINESS IN THIS COMMONWEALTH FOR USE ON THE TOUR.

7 (2) A REHEARSAL AT A QUALIFIED REHEARSAL FACILITY FOR A
8 MINIMUM OF 10 DAYS.

9 (3) AT LEAST ONE CONCERT PERFORMED AT A CLASS 1 VENUE.

10 (4) AT LEAST ONE CONCERT PERFORMED AT A VENUE WHICH IS
11 LOCATED IN A MUNICIPALITY OTHER THAN THE MUNICIPALITY IN
12 WHICH THE CLASS 1 VENUE UNDER PARAGRAPH (3) IS LOCATED.

13 "PASS-THROUGH ENTITY." ANY OF THE FOLLOWING:

14 (1) A PARTNERSHIP AS DEFINED IN SECTION 301(N.0).

15 (2) A PENNSYLVANIA S CORPORATION AS DEFINED IN SECTION
16 301(N.1).

17 (3) AN UNINCORPORATED ENTITY SUBJECT TO SECTION 307.21.

18 "PENNSYLVANIA REHEARSAL AND TOUR EXPENSES." THE SUM OF
19 PENNSYLVANIA REHEARSAL EXPENSES AND TOUR EXPENSES. THE TERM
20 INCLUDES PENNSYLVANIA REHEARSAL EXPENSES AND TOUR EXPENSES PAID
21 PRIOR TO OR DURING A REHEARSAL OR TOUR.

22 "PENNSYLVANIA REHEARSAL EXPENSE." A REHEARSAL EXPENSE WHICH
23 IS INCURRED OR WILL BE INCURRED WITHIN THIS COMMONWEALTH. THE
24 TERM INCLUDES:

25 (1) A PAYMENT WHICH IS MADE OR WILL BE MADE BY A
26 RECIPIENT TO A PERSON UPON WHICH WITHHOLDING WILL BE MADE ON
27 THE PAYMENT BY THE RECIPIENT AS REQUIRED UNDER PART VII OF
28 ARTICLE III OR A PAYMENT WHICH IS MADE OR WILL BE MADE TO A
29 PERSON WHO IS REQUIRED TO MAKE ESTIMATED PAYMENTS UNDER PART
30 VIII OF ARTICLE III.

1 (2) A PAYMENT WHICH IS MADE OR WILL BE MADE TO A
2 PERSONAL SERVICE CORPORATION REPRESENTING INDIVIDUAL TALENT
3 IF THE TAX IMPOSED BY ARTICLE IV WILL BE PAID OR ACCRUED ON
4 THE NET INCOME OF THE CORPORATION FOR THE TAXABLE YEAR.

5 (3) A PAYMENT WHICH IS MADE OR WILL BE MADE TO A PASS-
6 THROUGH ENTITY REPRESENTING INDIVIDUAL TALENT FOR WHICH
7 WITHHOLDING WILL BE MADE BY THE PASS-THROUGH ENTITY ON THE
8 PAYMENT AS REQUIRED UNDER PART VII OR VII-A OF ARTICLE III.

9 "QUALIFIED REHEARSAL AND TOUR EXPENSE." ALL PENNSYLVANIA
10 REHEARSAL AND TOUR EXPENSES IF PENNSYLVANIA REHEARSAL EXPENSES
11 COMPRISE OR WILL COMPRISE AT LEAST 60% OF THE TOTAL REHEARSAL
12 EXPENSES. THE TERM SHALL NOT INCLUDE MORE THAN \$2,000,000 IN THE
13 AGGREGATE OF COMPENSATION PAID OR TO BE PAID TO INDIVIDUALS OR
14 PAYMENT MADE OR TO BE MADE TO ENTITIES REPRESENTING AN
15 INDIVIDUAL FOR SERVICES PROVIDED IN THE TOUR.

16 "QUALIFIED REHEARSAL FACILITY." A REHEARSAL FACILITY WHICH
17 MEETS AT LEAST SIX OF THE FOLLOWING CRITERIA:

18 (1) HAS HAD A MINIMUM OF \$8,000,000 INVESTED IN THE
19 REHEARSAL FACILITY IN LAND OR STRUCTURE, OR A COMBINATION OF
20 LAND AND STRUCTURE.

21 (2) HAS A PERMANENT GRID SYSTEM WITH A CAPACITY OF
22 1,000,000 POUNDS.

23 (3) HAS A BUILT-IN POWER SUPPLY SYSTEM AVAILABLE AT A
24 MINIMUM OF 3,200 AMPS WITHOUT THE NEED FOR SUPPLEMENTAL
25 GENERATORS.

26 (4) HAS A HEIGHT FROM FLOOR TO PERMANENT GRID OF A
27 MINIMUM OF 80 FEET.

28 (5) HAS AT LEAST TWO SLIDING OR ROLL-UP ACCESS DOORS
29 WITH A MINIMUM HEIGHT OF 14 FEET.

30 (6) HAS A PERIMETER SECURITY SYSTEM WHICH INCLUDES 24-

1 HOUR, SEVEN-DAYS-A-WEEK SECURITY CAMERAS AND THE USE OF
2 ACCESS CONTROL IDENTIFICATION BADGES.

3 (7) HAS A SERVICE AREA WITH PRODUCTION OFFICES, CATERING
4 AND DRESSING ROOMS WITH A MINIMUM OF 5,000 SQUARE FEET.

5 (8) IS LOCATED WITHIN ONE MILE OF A MINIMUM OF TWO
6 COMPANIES WHICH PROVIDE CONCERT TOUR EQUIPMENT FOR USE ON A
7 TOUR.

8 "QUALIFIED TAX LIABILITY." THE LIABILITY FOR TAXES IMPOSED
9 UNDER ARTICLE III, IV, VI, VII OR IX. THE TERM DOES NOT INCLUDE
10 TAX WITHHELD BY AN EMPLOYER FROM AN EMPLOYEE UNDER ARTICLE III.

11 "RECIPIENT." A TAXPAYER THAT HAS BEEN AWARDED A TAX CREDIT
12 UNDER SECTION 1773-D(E).

13 "REHEARSAL." AN EVENT OR SERIES OF EVENTS WHICH OCCUR IN
14 PREPARATION FOR A TOUR PRIOR TO THE START OF THE TOUR OR DURING
15 A TOUR WHEN ADDITIONAL PREPARATION MAY BE NEEDED.

16 "REHEARSAL EXPENSE." ALL OF THE FOLLOWING WHEN INCURRED OR
17 WILL BE INCURRED DURING A REHEARSAL:

18 (1) COMPENSATION PAID OR TO BE PAID TO AN INDIVIDUAL
19 EMPLOYED IN THE REHEARSAL OF THE PERFORMANCE.

20 (2) PAYMENT TO A PERSONAL SERVICE CORPORATION
21 REPRESENTING INDIVIDUAL TALENT.

22 (3) PAYMENT TO A PASS-THROUGH ENTITY REPRESENTING
23 INDIVIDUAL TALENT.

24 (4) THE COSTS OF CONSTRUCTION, OPERATIONS, EDITING,
25 PHOTOGRAPHY, STAGING, LIGHTING, WARDROBE AND ACCESSORIES.

26 (5) THE COST OF LEASING VEHICLES.

27 (6) THE COST OF TRANSPORTATION OF PEOPLE OR CONCERT TOUR
28 EQUIPMENT TO OR FROM A TRAIN STATION, BUS DEPOT, AIRPORT OR
29 OTHER TRANSPORTATION FACILITY OR DIRECTLY FROM A RESIDENCE OR
30 BUSINESS ENTITY.

1 (7) THE COST OF INSURANCE COVERAGE.

2 (8) THE COST OF FOOD AND LODGING.

3 (9) THE COST OF PURCHASE OR RENTAL OF CONCERT TOUR
4 EQUIPMENT.

5 (10) THE COST OF RENTING A REHEARSAL FACILITY.

6 (11) THE COST OF EMERGENCY OR MEDICAL SUPPORT SERVICES
7 REQUIRED TO CONDUCT A REHEARSAL.

8 "REHEARSAL FACILITY." AS FOLLOWS:

9 (1) A FACILITY PRIMARILY USED FOR REHEARSALS WHICH IS
10 ALL OF THE FOLLOWING:

11 (I) LOCATED WITHIN THIS COMMONWEALTH.

12 (II) HAS A MINIMUM OF 25,000 SQUARE FEET OF COLUMN-
13 FREE, UNOBSTRUCTED FLOOR SPACE.

14 (2) THE TERM DOES NOT INCLUDE A FACILITY AT WHICH
15 CONCERTS ARE CAPABLE OF BEING HELD.

16 "START DATE." THE DATE THE FIRST SET OF CONCERT TOUR
17 EQUIPMENT ARRIVES OR IS EXPECTED TO ARRIVE AT A QUALIFIED
18 REHEARSAL FACILITY.

19 "TAX CREDIT." THE CONCERT REHEARSAL AND TOUR TAX CREDIT AS
20 PROVIDED UNDER THIS SUBARTICLE.

21 "TAXPAYER." A CONCERT TOUR PROMOTION COMPANY, CONCERT TOUR
22 MANAGEMENT COMPANY OR OTHER CONCERT MANAGEMENT COMPANY SUBJECT
23 TO TAX UNDER ARTICLE III, IV OR VI. THE TERM DOES NOT INCLUDE
24 CONTRACTORS OR SUBCONTRACTORS OF A CONCERT TOUR PROMOTION
25 COMPANY, CONCERT TOUR MANAGEMENT COMPANY OR OTHER CONCERT
26 MANAGEMENT COMPANY.

27 "TOUR." A SERIES OF CONCERTS PERFORMED OR TO BE PERFORMED BY
28 A MUSICAL PERFORMER IN MORE THAN ONE LOCATION. THE TERM INCLUDES
29 AT LEAST ONE REHEARSAL.

30 "TOUR EXPENSE." AS FOLLOWS:

1 (1) COSTS INCURRED OR WHICH WILL BE INCURRED DURING A
2 TOUR FOR VENUES LOCATED IN THIS COMMONWEALTH. THE TERM
3 INCLUDES ALL OF THE FOLLOWING:

4 (I) A PAYMENT WHICH IS MADE OR WILL BE MADE BY A
5 RECIPIENT TO A PERSON UPON WHICH WITHHOLDING WILL BE MADE
6 ON THE PAYMENT BY THE RECIPIENT AS REQUIRED UNDER PART
7 VII OF ARTICLE III OR A PAYMENT WHICH IS MADE OR WILL BE
8 MADE TO A PERSON WHO IS REQUIRED TO MAKE ESTIMATED
9 PAYMENTS UNDER PART VIII OF ARTICLE III.

10 (II) THE COST OF TRANSPORTATION OF PEOPLE OR CONCERT
11 TOURING EQUIPMENT WHICH IS INCURRED OR WILL BE INCURRED
12 WHILE TRANSPORTING TO OR FROM A TRAIN STATION, BUS DEPOT,
13 AIRPORT OR OTHER TRANSPORTATION FACILITY OR WHILE
14 TRANSPORTING DIRECTLY FROM A RESIDENCE OR BUSINESS ENTITY
15 LOCATED IN THIS COMMONWEALTH, OR WHICH IS INCURRED OR
16 WILL BE INCURRED FOR TRANSPORTATION PROVIDED BY A COMPANY
17 WHICH IS SUBJECT TO THE TAX IMPOSED UNDER ARTICLE III OR
18 IV.

19 (III) THE COST OF LEASING VEHICLES UPON WHICH THE
20 TAX IMPOSED BY ARTICLE II WILL BE PAID OR ACCRUED.

21 (IV) THE COST OF INSURANCE COVERAGE WHICH IS
22 PURCHASED OR WILL BE PURCHASED THROUGH AN INSURANCE AGENT
23 BASED IN THIS COMMONWEALTH.

24 (V) THE COST OF PURCHASING OR RENTING FACILITIES AND
25 EQUIPMENT FROM OR THROUGH A RESIDENT OF THIS COMMONWEALTH
26 OR AN ENTITY SUBJECT TO TAXATION IN THIS COMMONWEALTH.

27 (VI) THE COST OF FOOD AND LODGING WHICH IS INCURRED
28 OR WILL BE INCURRED FROM A FACILITY LOCATED IN THIS
29 COMMONWEALTH.

30 (VII) EXPENSES WHICH ARE INCURRED OR WILL BE

1 INCURRED IN MARKETING OR ADVERTISING A TOUR AT VENUES
2 LOCATED WITHIN THIS COMMONWEALTH.

3 (VIII) THE COST OF MERCHANDISE WHICH IS PURCHASED OR
4 WILL BE PURCHASED FROM A COMPANY LOCATED WITHIN THIS
5 COMMONWEALTH AND USED ON THE TOUR.

6 (IX) A PAYMENT WHICH IS MADE OR WILL BE MADE TO A
7 PERSONAL SERVICE CORPORATION REPRESENTING INDIVIDUAL
8 TALENT IF THE TAX IMPOSED BY ARTICLE IV WILL BE PAID OR
9 ACCRUED ON THE NET INCOME OF THE CORPORATION FOR THE
10 TAXABLE YEAR.

11 (X) A PAYMENT WHICH IS MADE OR WILL BE MADE TO A
12 PASS-THROUGH ENTITY REPRESENTING INDIVIDUAL TALENT FOR
13 WHICH WITHHOLDING WILL BE MADE BY THE PASS-THROUGH ENTITY
14 ON THE PAYMENT AS REQUIRED UNDER PART VII OR VII-A OF
15 ARTICLE III.

16 (2) THE TERM DOES NOT INCLUDE DEVELOPMENT COST,
17 INCLUDING THE WRITING OF MUSIC OR LYRICS.

18 "VENUE." A CLASS 1, CLASS 2 OR CLASS 3 VENUE.

19 SECTION 1773-D. PROCEDURE.

20 (A) APPLICATION.--A TAXPAYER MAY APPLY TO THE DEPARTMENT FOR
21 A TAX CREDIT UNDER THIS SECTION. THE APPLICATION SHALL BE ON THE
22 FORM REQUIRED BY THE DEPARTMENT.

23 (B) REVIEW AND APPROVAL.--

24 (1) THE DEPARTMENT SHALL ESTABLISH APPLICATION PERIODS
25 NOT TO EXCEED 30 DAYS. ALL APPLICATIONS RECEIVED DURING AN
26 APPLICATION PERIOD SHALL BE REVIEWED AND EVALUATED BY THE
27 DEPARTMENT BASED ON THE FOLLOWING CRITERIA:

28 (I) THE ANTICIPATED NUMBER OF REHEARSAL DAYS IN A
29 QUALIFIED REHEARSAL FACILITY.

30 (II) THE ANTICIPATED NUMBER OF CONCERTS AT CLASS 1

1 VENUES.

2 (III) THE ANTICIPATED NUMBER OF CONCERTS AT CLASS 2

3 VENUES.

4 (IV) THE ANTICIPATED NUMBER OF CONCERTS AT CLASS 3

5 VENUES.

6 (V) THE ANTICIPATED AMOUNT OF PENNSYLVANIA REHEARSAL
7 EXPENSES IN COMPARISON TO THE ANTICIPATED AGGREGATE
8 AMOUNT OF REHEARSAL EXPENSES.

9 (VI) THE ANTICIPATED AMOUNT OF THE TOUR EXPENSES.

10 (VII) THE ANTICIPATED AMOUNT OF THE CONCERT TOUR
11 EQUIPMENT EXPENSES WHICH ARE OR WILL BE PURCHASED OR
12 RENTED FROM A COMPANY LOCATED AND MAINTAINING A PLACE OF
13 BUSINESS IN THIS COMMONWEALTH AND WHICH WILL BE USED ON
14 THE TOUR.

15 (VIII) THE ANTICIPATED NUMBER OF DAYS SPENT IN
16 COMMONWEALTH HOTELS.

17 (IX) OTHER CRITERIA THAT THE DEPARTMENT DEEMS
18 APPROPRIATE TO ENSURE MAXIMUM EMPLOYMENT OPPORTUNITIES
19 AND ENTERTAINMENT BENEFITS FOR THE RESIDENTS OF THIS
20 COMMONWEALTH.

21 (2) EXCEPT AS PROVIDED IN SUBSECTION (C) AND UPON
22 DETERMINING THAT THE TAXPAYER HAS PAID THE APPLICABLE
23 APPLICATION FEE NOT TO EXCEED \$300, HAS MET OR WILL MEET THE
24 MINIMUM REHEARSAL AND TOUR REQUIREMENTS AND HAS INCURRED OR
25 WILL INCUR QUALIFIED REHEARSAL AND TOUR EXPENSES, THE
26 DEPARTMENT MAY APPROVE THE TAXPAYER FOR A TAX CREDIT.
27 APPLICATIONS NOT APPROVED MAY BE REVIEWED AND CONSIDERED IN
28 SUBSEQUENT APPLICATION PERIODS. THE DEPARTMENT MAY APPROVE A
29 TAXPAYER FOR A TAX CREDIT BASED ON ITS EVALUATION OF THE
30 CRITERIA UNDER THIS SUBSECTION.

1 (C) RESTRICTION.--THE DEPARTMENT MAY ONLY CONSIDER
2 REHEARSALS HELD OR TO BE HELD, AND QUALIFIED REHEARSAL AND TOUR
3 EXPENSES INCURRED OR TO BE INCURRED, AFTER JANUARY 1, 2017, IN
4 DETERMINING WHETHER A TAXPAYER HAS MET OR WILL MEET THE MINIMUM
5 REHEARSAL AND TOUR REQUIREMENTS.

6 (D) CONTRACT.--IF THE DEPARTMENT APPROVES THE TAXPAYER'S
7 APPLICATION UNDER SUBSECTION (B), THE DEPARTMENT AND THE
8 TAXPAYER SHALL ENTER INTO A CONTRACT CONTAINING THE FOLLOWING:

9 (1) AN ITEMIZED LIST OF REHEARSAL EXPENSES INCURRED OR
10 TO BE INCURRED FOR THE TOUR.

11 (2) AN ITEMIZED LIST OF PENNSYLVANIA REHEARSAL EXPENSES
12 INCURRED OR TO BE INCURRED FOR THE TOUR.

13 (3) WITH RESPECT TO A CONTRACT ENTERED INTO PRIOR TO
14 COMPLETION OF A TOUR, A COMMITMENT BY THE TAXPAYER TO INCUR
15 THE PENNSYLVANIA REHEARSAL EXPENSES AS ITEMIZED.

16 (4) AN ITEMIZED LIST OF THE QUALIFIED REHEARSAL AND TOUR
17 EXPENSES INCURRED OR TO BE INCURRED FOR THE TOUR.

18 (5) WITH RESPECT TO A CONTRACT ENTERED INTO PRIOR TO
19 COMPLETION OF A TOUR, A COMMITMENT BY THE TAXPAYER TO INCUR
20 THE QUALIFIED REHEARSAL AND TOUR EXPENSES AS ITEMIZED.

21 (6) WITH RESPECT TO A CONTRACT ENTERED INTO PRIOR TO
22 COMPLETION OF A TOUR, A COMMITMENT BY THE TAXPAYER TO HOLD AT
23 LEAST ONE CONCERT AT A CLASS 1 VENUE.

24 (7) WITH RESPECT TO A CONTRACT ENTERED INTO PRIOR TO
25 COMPLETION OF A TOUR, A COMMITMENT BY THE TAXPAYER TO HOLD AT
26 LEAST ONE CONCERT AT A VENUE LOCATED IN A MUNICIPALITY OTHER
27 THAN THE MUNICIPALITY IN WHICH THE CLASS 1 VENUE UNDER
28 PARAGRAPH (6) IS LOCATED.

29 (8) THE START DATE OR THE EXPECTED START DATE.

30 (9) ANY OTHER INFORMATION THE DEPARTMENT DEEMS

1 APPROPRIATE.

2 (E) CERTIFICATE.--UPON EXECUTION OF THE CONTRACT REQUIRED BY
3 SUBSECTION (D), THE DEPARTMENT SHALL AWARD THE TAXPAYER A
4 CONCERT REHEARSAL AND TOUR TAX CREDIT AND ISSUE THE RECIPIENT A
5 TAX CREDIT CERTIFICATE.

6 SECTION 1774-D. CLAIM.

7 BEGINNING JULY 1, 2017, A RECIPIENT MAY CLAIM A CONCERT
8 REHEARSAL AND TOUR TAX CREDIT AGAINST THE QUALIFIED TAX
9 LIABILITY OF THE RECIPIENT.

10 SECTION 1775-D. CARRYOVER, CARRYBACK AND ASSIGNMENT OF TAX
11 CREDIT.

12 (A) GENERAL RULE.--IF A RECIPIENT CANNOT USE THE ENTIRE
13 AMOUNT OF A TAX CREDIT FOR THE TAXABLE YEAR IN WHICH THE TAX
14 CREDIT IS FIRST APPROVED, THE EXCESS MAY BE CARRIED OVER TO
15 SUCCEEDING TAXABLE YEARS AND USED AS A TAX CREDIT AGAINST THE
16 QUALIFIED TAX LIABILITY OF THE RECIPIENT FOR THOSE TAXABLE
17 YEARS. EACH TIME THE TAX CREDIT IS CARRIED OVER TO A SUCCEEDING
18 TAXABLE YEAR, THE TAX CREDIT SHALL BE REDUCED BY THE AMOUNT THAT
19 WAS USED AS A CREDIT DURING THE IMMEDIATELY PRECEDING TAXABLE
20 YEAR. THE TAX CREDIT MAY BE CARRIED OVER AND APPLIED TO
21 SUCCEEDING TAXABLE YEARS FOR NO MORE THAN THREE TAXABLE YEARS
22 FOLLOWING THE FIRST TAXABLE YEAR FOR WHICH THE RECIPIENT WAS
23 ENTITLED TO CLAIM THE TAX CREDIT.

24 (B) APPLICATION.--A TAX CREDIT APPROVED BY THE DEPARTMENT IN
25 A TAXABLE YEAR FIRST SHALL BE APPLIED AGAINST THE RECIPIENT'S
26 QUALIFIED TAX LIABILITY FOR THE CURRENT TAXABLE YEAR AS OF THE
27 DATE ON WHICH THE TAX CREDIT WAS APPROVED BEFORE THE TAX CREDIT
28 CAN BE APPLIED AGAINST TAX LIABILITY UNDER SUBSECTION (A).

29 (C) NO CARRYBACK OR REFUND.--A RECIPIENT SHALL NOT BE
30 ENTITLED TO CARRY BACK OR OBTAIN A REFUND OF ANY PORTION OF AN

1 UNUSED TAX CREDIT GRANTED TO THE RECIPIENT UNDER THIS
2 SUBARTICLE.

3 (D) SALE OR ASSIGNMENT.--THE FOLLOWING SHALL APPLY:

4 (1) A RECIPIENT, UPON APPLICATION TO AND APPROVAL BY THE
5 DEPARTMENT, MAY SELL OR ASSIGN, IN WHOLE OR IN PART, A TAX
6 CREDIT GRANTED TO THE RECIPIENT UNDER THIS SUBARTICLE.

7 (2) THE DEPARTMENT AND THE DEPARTMENT OF REVENUE SHALL
8 JOINTLY PROMULGATE REGULATIONS FOR THE APPROVAL OF
9 APPLICATIONS UNDER THIS SUBSECTION.

10 (3) BEFORE AN APPLICATION IS APPROVED, THE DEPARTMENT OF
11 REVENUE MUST MAKE A FINDING THAT THE RECIPIENT HAS FILED ALL
12 REQUIRED STATE TAX REPORTS AND RETURNS FOR ALL APPLICABLE
13 TAXABLE YEARS AND PAID ANY BALANCE OF STATE TAX DUE AS
14 DETERMINED AT SETTLEMENT, ASSESSMENT OR DETERMINATION BY THE
15 DEPARTMENT OF REVENUE.

16 (4) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE
17 DEPARTMENT OF REVENUE SHALL SETTLE, ASSESS OR DETERMINE THE
18 TAX OF A TAXPAYER UNDER THIS SUBSECTION WITHIN 60 DAYS OF THE
19 FILING OF ALL REQUIRED FINAL RETURNS OR REPORTS IN ACCORDANCE
20 WITH SECTION 806.1(A)(5) OF THE ACT OF APRIL 9, 1929
21 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE.

22 (E) PURCHASERS AND ASSIGNEES.--THE FOLLOWING APPLY:

23 (1) THE PURCHASER OR ASSIGNEE OF ALL OR A PORTION OF A
24 TAX CREDIT UNDER SUBSECTION (D) SHALL IMMEDIATELY CLAIM THE
25 TAX CREDIT IN THE TAXABLE YEAR IN WHICH THE PURCHASE OR
26 ASSIGNMENT IS MADE.

27 (2) THE AMOUNT OF THE TAX CREDIT THAT A PURCHASER OR
28 ASSIGNEE MAY USE AGAINST ONE QUALIFIED TAX LIABILITY MAY NOT
29 EXCEED 50% OF THE QUALIFIED TAX LIABILITY FOR THE TAXABLE
30 YEAR.

1 (3) THE PURCHASER OR ASSIGNEE MAY NOT CARRY FORWARD,
2 CARRY BACK OR OBTAIN A REFUND OF OR SELL OR ASSIGN THE TAX
3 CREDIT.

4 (4) THE PURCHASER OR ASSIGNEE SHALL NOTIFY THE
5 DEPARTMENT OF REVENUE OF THE SELLER OR ASSIGNOR OF THE TAX
6 CREDIT IN COMPLIANCE WITH PROCEDURES SPECIFIED BY THE
7 DEPARTMENT OF REVENUE.

8 SECTION 1776-D. DETERMINATION OF PENNSYLVANIA REHEARSAL AND
9 TOUR EXPENSES.

10 WHEN PRESCRIBING STANDARDS FOR DETERMINING WHICH REHEARSAL OR
11 TOUR EXPENSES ARE CONSIDERED PENNSYLVANIA REHEARSAL AND TOUR
12 EXPENSES FOR PURPOSES OF COMPUTING THE TAX CREDIT PROVIDED BY
13 THIS SUBARTICLE, THE DEPARTMENT SHALL CONSIDER:

14 (1) THE LOCATION WHERE SERVICES ARE PERFORMED.

15 (2) THE LOCATION WHERE CONCERT TOUR EQUIPMENT IS
16 PURCHASED, RENTED, DELIVERED AND USED.

17 (3) THE LOCATION WHERE REHEARSALS OR CONCERTS ARE HELD.

18 (4) OTHER FACTORS THE DEPARTMENT DETERMINES ARE
19 RELEVANT.

20 SECTION 1777-D. LIMITATIONS.

21 (A) CAP.--EXCEPT AS PROVIDED IN THIS SUBSECTION, THE
22 DEPARTMENT MAY NOT AWARD TAX CREDITS FOR QUALIFIED REHEARSAL AND
23 TOUR EXPENSES INCURRED OR TO BE INCURRED RELATED TO MORE THAN
24 FIVE TOURS IN A FISCAL YEAR. IN A FISCAL YEAR, THE DEPARTMENT
25 MAY, IN THE DEPARTMENT'S DISCRETION, ADVANCE THE AWARD OF TAX
26 CREDITS FOR QUALIFIED REHEARSAL AND TOUR EXPENSES INCURRED OR TO
27 BE INCURRED RELATED TO A MAXIMUM OF TWO ADDITIONAL TOURS.

28 (B) ADVANCE AWARD OF CREDITS.--THE ADVANCE AWARD OF TAX
29 CREDITS UNDER SUBSECTION (A) SHALL:

30 (1) COUNT AGAINST THE TOTAL NUMBER OF TOURS THAT THE

1 DEPARTMENT MAY AWARD TAX CREDITS FOR QUALIFIED REHEARSAL AND
2 TOUR EXPENSES INCURRED OR TO BE INCURRED RELATED TO A TOUR IN
3 THAT NEXT SUCCEEDING FISCAL YEAR; AND

4 (2) REDUCE THE NUMBER OF TOURS THAT THE DEPARTMENT MAY
5 AWARD TAX CREDITS FOR QUALIFIED REHEARSAL AND TOUR EXPENSES
6 INCURRED OR TO BE INCURRED RELATED TO A TOUR IN THAT NEXT
7 SUCCEEDING FISCAL YEAR.

8 (C) INDIVIDUAL LIMITATIONS.--THE FOLLOWING SHALL APPLY:

9 (1) A TAXPAYER MAY NOT BE AWARDED MORE THAN \$800,000 OF
10 TAX CREDITS FOR A TOUR.

11 (2) EXCEPT AS PROVIDED UNDER PARAGRAPH (5), THE
12 AGGREGATE AMOUNT OF TAX CREDITS AWARDED BY THE DEPARTMENT
13 UNDER SECTION 1773-D(E) TO A TAXPAYER FOR A TOUR WITH
14 CONCERTS AT TWO CLASS 1 VENUES OR A CLASS 1 VENUE AND A CLASS
15 2 VENUE MAY NOT EXCEED 25% OF THE QUALIFIED REHEARSAL AND
16 TOUR EXPENSES INCURRED OR TO BE INCURRED.

17 (3) EXCEPT AS PROVIDED UNDER PARAGRAPH (5), THE
18 AGGREGATE AMOUNT OF TAX CREDITS AWARDED BY THE DEPARTMENT
19 UNDER SECTION 1773-D(E) TO A TAXPAYER FOR A TOUR WITH
20 CONCERTS AT A CLASS 1 VENUE AND A CLASS 3 VENUE MAY NOT
21 EXCEED 30% OF THE QUALIFIED REHEARSAL AND TOUR EXPENSES
22 INCURRED OR TO BE INCURRED.

23 (4) EXCEPT AS PROVIDED UNDER PARAGRAPH (5), THE
24 AGGREGATE AMOUNT OF TAX CREDITS AWARDED BY THE DEPARTMENT
25 UNDER SECTION 1773-D(E) TO A TAXPAYER FOR A TOUR WITH
26 CONCERTS AT A CLASS 1 VENUE AND A CLASS 3 VENUE WHICH DOES
27 NOT SERVE ALCOHOL MAY NOT EXCEED 35% OF THE QUALIFIED
28 REHEARSAL AND TOUR EXPENSES INCURRED OR TO BE INCURRED.

29 (5) IN ADDITION TO THE TAX CREDITS UNDER PARAGRAPH (2),
30 (3) OR (4), A TAXPAYER IS ELIGIBLE FOR A TAX CREDIT IN THE

1 AMOUNT OF 5% OF THE QUALIFIED REHEARSAL AND TOUR EXPENSES
2 INCURRED OR TO BE INCURRED BY THE TAXPAYER IF THE TAXPAYER
3 HOLDS CONCERTS AT A TOTAL OF TWO OR MORE CLASS 2 VENUES OR
4 CLASS 3 VENUES.

5 (D) QUALIFIED REHEARSAL FACILITY.--TO BE CONSIDERED A
6 QUALIFIED REHEARSAL FACILITY UNDER THIS SUBARTICLE, THE OWNER OF
7 A REHEARSAL FACILITY SHALL PROVIDE EVIDENCE TO THE DEPARTMENT TO
8 VERIFY THE DEVELOPMENT OR FACILITY SPECIFICATIONS AND CAPITAL
9 IMPROVEMENT COSTS INCURRED FOR THE REHEARSAL FACILITY SO THAT
10 THE THRESHOLD AMOUNTS SET IN THE DEFINITION OF "QUALIFIED
11 REHEARSAL FACILITY" UNDER SECTION 1772-D ARE SATISFIED, AND,
12 UPON VERIFICATION, THE REHEARSAL FACILITY SHALL BE REGISTERED BY
13 THE DEPARTMENT OFFICIALLY AS A QUALIFIED REHEARSAL FACILITY.

14 (E) WAIVER.--THE DEPARTMENT MAY MAKE A DETERMINATION THAT
15 THE FINANCIAL BENEFIT TO THIS COMMONWEALTH RESULTING FROM THE
16 DIRECT INVESTMENT IN OR PAYMENTS MADE TO PENNSYLVANIA REHEARSAL
17 AND CONCERT FACILITIES OUTWEIGHS THE BENEFIT OF MAINTAINING THE
18 60% PENNSYLVANIA REHEARSAL EXPENSES REQUIREMENT CONTAINED IN THE
19 DEFINITION OF "QUALIFIED REHEARSAL AND TOUR EXPENSE" UNDER
20 SECTION 1772-D. IF THE DETERMINATION IS MADE, THE DEPARTMENT MAY
21 WAIVE THE REQUIREMENT THAT 60% OF A TOUR'S AGGREGATE REHEARSAL
22 EXPENSES BE COMPRISED OF PENNSYLVANIA REHEARSAL EXPENSES.

23 SECTION 1778-D. PENALTY.

24 A RECIPIENT WHICH CLAIMS A TAX CREDIT AND FAILS TO INCUR THE
25 AMOUNT OF QUALIFIED REHEARSAL AND TOUR EXPENSES AGREED TO UNDER
26 SECTION 1773-D(D) (4) FOR A TOUR IN THAT TAXABLE YEAR SHALL REPAY
27 TO THE COMMONWEALTH AN AMOUNT EQUAL TO 110% OF THE DIFFERENCE
28 BETWEEN THE AMOUNT AGREED TO UNDER SECTION 1773-D(D) (4) AND THE
29 AMOUNT OF QUALIFIED REHEARSAL AND TOUR EXPENSES ACTUALLY
30 INCURRED BY THE RECIPIENT. THE PENALTY SHALL BE ASSESSED AND

1 COLLECTED UNDER ARTICLE II.

2 SECTION 1779-D. PASS-THROUGH ENTITY.

3 (A) GENERAL RULE.--IF A PASS-THROUGH ENTITY HAS ANY UNUSED
4 TAX CREDITS UNDER SECTION 1775-D, THE PASS-THROUGH ENTITY MAY
5 ELECT IN WRITING, ACCORDING TO PROCEDURES ESTABLISHED BY THE
6 DEPARTMENT OF REVENUE, TO TRANSFER ALL OR A PORTION OF THE TAX
7 CREDITS TO SHAREHOLDERS, MEMBERS OR PARTNERS IN PROPORTION TO
8 THE SHARE OF THE ENTITY'S DISTRIBUTIVE INCOME TO WHICH EACH
9 SHAREHOLDER, MEMBER OR PARTNER IS ENTITLED.

10 (B) LIMITATION.--A PASS-THROUGH ENTITY AND A SHAREHOLDER,
11 MEMBER OR PARTNER OF A PASS-THROUGH ENTITY MAY NOT CLAIM THE TAX
12 CREDIT UNDER SUBSECTION (A) FOR THE SAME QUALIFIED REHEARSAL AND
13 TOUR EXPENSE.

14 (C) APPLICATION.--A SHAREHOLDER, MEMBER OR PARTNER OF A
15 PASS-THROUGH ENTITY TO WHOM A TAX CREDIT IS TRANSFERRED UNDER
16 SUBSECTION (A) SHALL IMMEDIATELY CLAIM THE TAX CREDIT IN THE
17 TAXABLE YEAR IN WHICH THE TRANSFER IS MADE. THE SHAREHOLDER,
18 MEMBER OR PARTNER MAY NOT CARRY FORWARD, CARRY BACK, OBTAIN A
19 REFUND OF OR SELL OR ASSIGN THE TAX CREDIT.

20 SECTION 1780-D. DEPARTMENT GUIDELINES AND REGULATIONS.

21 THE DEPARTMENT SHALL DEVELOP WRITTEN GUIDELINES FOR THE
22 IMPLEMENTATION OF THIS SUBARTICLE. THE GUIDELINES SHALL BE IN
23 EFFECT UNTIL THE DEPARTMENT PROMULGATES REGULATIONS FOR THE
24 IMPLEMENTATION OF THIS SUBARTICLE.

25 SECTION 1781-D. REPORT TO GENERAL ASSEMBLY.

26 NO LATER THAN JUNE 1, 2018, AND SEPTEMBER 1 OF EACH YEAR
27 THEREAFTER, THE SECRETARY OF COMMUNITY AND ECONOMIC DEVELOPMENT
28 SHALL SUBMIT A REPORT TO THE GENERAL ASSEMBLY SUMMARIZING THE
29 EFFECTIVENESS OF THE TAX CREDITS PROVIDED BY THIS SUBARTICLE.
30 THE REPORT SHALL INCLUDE THE NAME OF THE TOURS WHICH REHEARSED

1 IN THIS COMMONWEALTH, THE NAMES OF ALL RECIPIENTS AWARDED A TAX
2 CREDIT AS OF THE DATE OF THE REPORT AND THE AMOUNT OF TAX
3 CREDITS APPROVED FOR EACH RECIPIENT. THE REPORT MAY ALSO INCLUDE
4 RECOMMENDATIONS FOR CHANGES IN THE CALCULATION OR ADMINISTRATION
5 OF THE TAX CREDITS PROVIDED UNDER THIS SUBARTICLE. THE REPORT
6 SHALL BE SUBMITTED TO THE CHAIRPERSON AND MINORITY CHAIRPERSON
7 OF THE APPROPRIATIONS COMMITTEE OF THE SENATE, THE CHAIRPERSON
8 AND MINORITY CHAIRPERSON OF THE FINANCE COMMITTEE OF THE SENATE,
9 THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS
10 COMMITTEE OF THE HOUSE OF REPRESENTATIVES AND THE CHAIRPERSON
11 AND MINORITY CHAIRPERSON OF THE FINANCE COMMITTEE OF THE HOUSE
12 OF REPRESENTATIVES. THE REPORT SHALL INCLUDE THE FOLLOWING
13 INFORMATION, WHICH SHALL BE SEPARATED BY GEOGRAPHIC LOCATION
14 WITHIN THIS COMMONWEALTH:

15 (1) THE AMOUNT OF TAX CREDITS CLAIMED DURING THE FISCAL
16 YEAR BY TOUR.

17 (2) THE TOTAL AMOUNT SPENT IN THIS COMMONWEALTH DURING
18 THE FISCAL YEAR BY TOURS AND CONCERT TOUR PROMOTION COMPANIES
19 FOR SERVICES AND SUPPLIES.

20 (3) THE TOTAL AMOUNT OF TAX REVENUES, BOTH DIRECTLY AND
21 INDIRECTLY, GENERATED FOR THE COMMONWEALTH DURING THE FISCAL
22 YEAR BY THE CONCERT REHEARSAL AND TOUR INDUSTRY.

23 SECTION 36. THE DEFINITION OF "QUALIFIED TAX LIABILITY" IN
24 SECTION 1702-G OF THE ACT IS AMENDED TO READ:

25 SECTION 1702-G. DEFINITIONS.

26 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
27 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
28 CONTEXT CLEARLY INDICATES OTHERWISE:

29 * * *

30 "QUALIFIED TAX LIABILITY." THE LIABILITY FOR TAXES IMPOSED

1 UNDER ARTICLES III, IV, VI, VII, VIII, IX, XI AND XV. THE TERM
2 DOES NOT INCLUDE TAX WITHHELD UNDER SECTION [316] 316.1.

3 * * *

4 SECTION 37. SECTIONS 1813-C AND 1814-C OF THE ACT, AMENDED
5 JULY 13, 2016 (P.L.526, NO.84), ARE AMENDED TO READ:

6 SECTION 1813-C. RESTRICTIONS.

7 (A) UTILIZATION.--MONEY TRANSFERRED UNDER SECTION 1812-C MAY
8 ONLY BE UTILIZED FOR THE FOLLOWING:

9 (1) PAYMENT OF DEBT SERVICE ON BONDS ISSUED OR
10 REFINANCED FOR THE ACQUISITION, DEVELOPMENT, CONSTRUCTION,
11 INCLUDING RELATED INFRASTRUCTURE AND SITE PREPARATION,
12 RECONSTRUCTION, RENOVATION OR REFINANCING OF A FACILITY IN
13 THE ZONE AND NORMAL AND CUSTOMARY FEES FOR PROFESSIONAL
14 SERVICES ASSOCIATED WITH THE ISSUANCE OR REFINANCE OF THE
15 BONDS.

16 (2) ACQUISITION, DEVELOPMENT, CONSTRUCTION, INCLUDING
17 RELATED INFRASTRUCTURE AND SITE PREPARATION, RECONSTRUCTION,
18 RENOVATION OR REFINANCING OF ALL OR A PART OF A FACILITY.

19 (3) REPLENISHMENT OF AMOUNTS IN DEBT SERVICE RESERVE
20 FUNDS ESTABLISHED TO PAY DEBT SERVICE ON BONDS.

21 (4) EMPLOYMENT OF AN INDEPENDENT AUDITING FIRM TO
22 PERFORM THE DUTIES UNDER SECTION 1807-C(C).

23 (5) IMPROVEMENT OR DEVELOPMENT OF ALL OR PART OF A ZONE.

24 (6) IMPROVEMENT PROJECTS, INCLUDING FIXTURES AND
25 EQUIPMENT FOR A FACILITY OWNED, IN WHOLE OR IN PART, BY A
26 PUBLIC AUTHORITY.

27 (7) PAYMENT OR REIMBURSEMENT OF REASONABLE
28 ADMINISTRATIVE, AUDITING AND COMPLIANCE SERVICES REQUIRED BY
29 THIS ARTICLE. REASONABLE ADMINISTRATIVE COSTS MAY NOT EXCEED
30 5% OF THE MONEY TRANSFERRED UNDER SECTION 1812-C. FOR

1 PURPOSES OF THIS PARAGRAPH, PROFESSIONAL SERVICES SHALL NOT
2 BE CONSIDERED ADMINISTRATIVE COSTS.

3 (B) PROHIBITION.--MONEY TRANSFERRED UNDER SECTION 1812-C MAY
4 NOT BE UTILIZED FOR MAINTENANCE OR REPAIR OF A FACILITY.

5 (C) EXCESS MONEY.--

6 (1) [IF] EXCEPT AS SET FORTH IN PARAGRAPH (4), IF THE
7 AMOUNT OF MONEY TRANSFERRED TO THE FUND UNDER SECTIONS 1811-
8 C(C) AND 1812-C IN ANY ONE CALENDAR YEAR EXCEEDS THE MONEY
9 UTILIZED UNDER THIS SECTION IN THAT CALENDAR YEAR, THE
10 CONTRACTING AUTHORITY SHALL SUBMIT BY APRIL 15 FOLLOWING THE
11 END OF THE CALENDAR YEAR THE EXCESS MONEY TO THE STATE
12 TREASURER FOR DEPOSIT INTO THE GENERAL FUND.

13 (2) AT THE TIME OF SUBMISSION TO THE STATE TREASURER,
14 THE CONTRACTING AUTHORITY SHALL SUBMIT TO THE STATE
15 TREASURER, THE OFFICE AND THE DEPARTMENT A DETAILED
16 ACCOUNTING OF THE CALCULATION RESULTING IN THE EXCESS MONEY.

17 (3) THE EXCESS MONEY SHALL BE CREDITED TO THE
18 CONTRACTING AUTHORITY AND APPLIED TO THE AMOUNT REQUIRED TO
19 BE REPAYED UNDER SECTION 1812-C(C) (5) UNTIL THERE IS FULL
20 REPAYMENT.

21 (4) PARAGRAPH (1) DOES NOT APPLY TO MONEY UTILIZED IN A
22 PILOT ZONE PROVIDED THE EXCESS MONEY IS USED IN ACCORDANCE
23 WITH SUBSECTION (A).

24 (D) MATCHING FUNDS.--

25 (1) THE AMOUNT OF MONEY TRANSFERRED FROM THE FUND
26 UTILIZED FOR THE ACQUISITION, DEVELOPMENT, CONSTRUCTION,
27 INCLUDING RELATED SITE PREPARATION AND INFRASTRUCTURE,
28 RECONSTRUCTION OR RENOVATION OF FACILITIES, OR NORMAL AND
29 CUSTOMARY FEES FOR PROFESSIONAL SERVICES SHALL BE MATCHED BY
30 PRIVATE, FEDERAL OR LOCAL MONEY AT A RATIO OF FIVE FUND

1 DOLLARS TO ONE PRIVATE, FEDERAL OR LOCAL DOLLAR. THE
2 CONTRACTING AUTHORITY SHALL VERIFY THE PRIVATE, FEDERAL OR
3 LOCAL MATCH FOR A PROJECT AT THE TIME OF THE BOND AND REPORT
4 PROOF OF THE MATCH TO THE AGENCIES. ALL OF THE FOLLOWING
5 SHALL BE DEEMED PRIVATE MONEY:

6 (I) EQUITY.

7 (II) PRIVATE DEVELOPER DEBT AND FINANCING.

8 (III) SOFT COSTS ASSOCIATED WITH LAND DEVELOPMENT.

9 (IV) COSTS OF PROFESSIONAL SERVICES ASSOCIATED WITH
10 DEVELOPMENT.

11 (V) COSTS ASSOCIATED WITH IMPROVEMENTS OF THE
12 PARCEL.

13 (VI) COSTS OF LAND ACQUISITION AND REAL ESTATE
14 TRANSACTIONS.

15 (1.1) PRIVATE, FEDERAL OR LOCAL DOLLARS INVESTED IN ANY
16 SINGLE YEAR OR MULTIPLE YEARS MAY BE AMORTIZED OVER THE TERM
17 OF THE PRIVATE OR PUBLIC FINANCING PROVIDED TO THE PROJECT IN
18 ORDER TO MEET THE MATCHING FUND RATIO OF FIVE FUND DOLLARS TO
19 ONE PRIVATE, FEDERAL OR LOCAL DOLLAR INVESTED IN THE PROJECT.

20 (2) BY APRIL 1 FOLLOWING THE BASELINE YEAR AND FOR EACH
21 YEAR THEREAFTER, THE CONTRACTING AUTHORITY SHALL FILE AN
22 ANNUAL REPORT WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC
23 DEVELOPMENT, THE OFFICE AND THE DEPARTMENT THAT CONTAINS A
24 DETAILED ACCOUNT OF THE FUND MONEY EXPENDITURES AND THE
25 PRIVATE, FEDERAL OR LOCAL MONEY EXPENDITURES AND A
26 CALCULATION OF THE RATIO IN PARAGRAPH (1) FOR THE PRIOR
27 CALENDAR YEAR.

28 (3) IF IT IS DETERMINED THAT INSUFFICIENT PRIVATE,
29 FEDERAL OR LOCAL MONEY WAS UTILIZED UNDER PARAGRAPH (1), THE
30 AMOUNT OF FUND MONEY UTILIZED UNDER PARAGRAPH (1) IN THE

1 PRIOR CALENDAR YEAR SHALL BE DEDUCTED FROM THE NEXT TRANSFER
2 OF THE FUND.

3 SECTION 1814-C. TRANSFER OF PROPERTY.

4 (A) PROPERTY.--PARCELS IN A ZONE WHERE A FACILITY HAS NOT
5 BEEN CONSTRUCTED, RECONSTRUCTED OR RENOVATED USING MONEY UNDER
6 THIS ARTICLE MAY BE TRANSFERRED OUT OF THE ZONE, IF THE
7 CONTRACTING AUTHORITY PROVIDES A NOTARIZED CERTIFICATION,
8 CONFIRMED IN THE ANNUAL AUDIT REQUIRED UNDER SECTION 1807-C(C),
9 THAT NO FUND DOLLARS WERE USED ON THE PROPERTY. ADDITIONAL
10 ACREAGE, NOT TO EXCEED THE ACREAGE TRANSFERRED OUT OF THE ZONE,
11 MAY BE [SIMULTANEOUSLY] ADDED TO THE ZONE.

12 (A.1) PUBLIC MEETING.--PRIOR TO REQUESTING APPROVAL, THE
13 CONTRACTING AUTHORITY SHALL HOLD A PUBLIC MEETING TO CONSIDER
14 THE PROPOSED TRANSFER. AT THE MEETING, ANY INTERESTED PARTY MAY
15 ATTEND AND OFFER COMMENT ON THE PROPOSAL CHANGE.

16 (A.2) INFEASIBILITY.--

17 (1) IF NO ACTIVITY IN FURTHERANCE OF DEVELOPMENT HAS
18 TAKEN PLACE ON THE PARCEL WITHIN EIGHT YEARS OF THE ENACTMENT
19 OF THIS SECTION OR DESIGNATION OF THE ZONE, WHICHEVER OCCURS
20 LATER, THE CONTRACTING AUTHORITY MAY CONDUCT A PUBLIC HEARING
21 ON THE FEASIBILITY OF THE PARCEL TO CONTINUE WITH THE
22 DESIGNATION PURSUANT TO A REQUEST FROM THE CITY OR
23 MUNICIPALITY WHERE THE PARCEL SITS. THE HEARING SHALL BE HELD
24 AND NOTICE PROVIDED TO THE OWNER OF THE PARCEL IN ACCORDANCE
25 WITH SECTION 908 OF THE ACT OF JULY 31, 1968 (P.L.805,
26 NO.247), KNOWN AS THE PENNSYLVANIA MUNICIPALITIES PLANNING
27 CODE. FOR PURPOSES OF THIS SECTION, ACTIVITY SHALL INCLUDE,
28 BUT NOT BE LIMITED TO, CONSTRUCTION, BUILDING, RENOVATION,
29 RECONSTRUCTION, SITE PREPARATION AND SITE DEVELOPMENT.

30 (2) IF THE CONTRACTING AUTHORITY DETERMINES THAT THE

1 PROJECT IS NO LONGER FEASIBLE, THE CONTRACTING AUTHORITY
2 SHALL ISSUE A WRITTEN OPINION WITHIN 45 DAYS OF THE HEARING
3 SETTING FORTH THE REASONS SUPPORTING THE DETERMINATION AND
4 VERIFYING THAT NO ACTIVITY HAS TAKEN PLACE. THE DECISION MAY
5 BE APPEALED IN ACCORDANCE WITH SECTION 1001-A OF THE
6 PENNSYLVANIA MUNICIPALITIES PLANNING CODE.

7 (B) APPROVAL.--A TRANSFER UNDER SUBSECTIONS (A) AND (A.2)
8 MUST BE APPROVED BY THE DEPARTMENT OF COMMUNITY AND ECONOMIC
9 DEVELOPMENT IN CONSULTATION WITH THE OFFICE AND THE DEPARTMENT.

10 SECTION 38. (RESERVED).

11 SECTION 39. THE ACT IS AMENDED BY ADDING A SECTION TO READ:
12 SECTION 1904.3-B. TRANSFER OF PROPERTY.

13 (A) TRANSFER OF PARCELS.--PARCELS IN A ZONE MAY BE
14 TRANSFERRED OUT OF THE ZONE AND REPLACED WITH PARCELS NOT TO
15 EXCEED THE ACREAGE TRANSFERRED OUT OF THE ZONE BY THE
16 CONTRACTING AUTHORITY, IF:

17 (1) THE DEPARTMENT CERTIFIES THAT THERE IS CURRENTLY NO
18 ACTIVITY IN THE PARCELS TRANSFERRED IN THE ZONE THAT
19 GENERATES TAX RECEIPTS OR OTHER REVENUE TO THE COMMONWEALTH.

20 (2) THE MUNICIPALITY WHERE THE ZONE IS LOCATED CERTIFIES
21 THAT THERE IS CURRENTLY NO ACTIVITY IN THE PARCELS
22 TRANSFERRED INTO THE ZONE THAT GENERATES TAX RECEIPTS OR
23 OTHER REVENUE, OTHER THAN TAXES ON REAL PROPERTY, TO THE
24 MUNICIPALITY AND THE SCHOOL DISTRICT AND COUNTY WHERE THE
25 ZONE IS LOCATED.

26 (B) PUBLIC HEARING.--THE FOLLOWING APPLY:

27 (1) FOR A PARCEL IDENTIFIED BY THE CONTRACTING AUTHORITY
28 TO BE TRANSFERRED OUT OF THE ZONE, THE CONTRACTING AUTHORITY
29 MAY CONDUCT A PUBLIC HEARING PURSUANT TO A REQUEST FROM AN
30 OWNER OF REAL ESTATE LOCATED WITHIN THE PARCEL OR THE CITY OR

1 MUNICIPALITY WHERE THE PARCEL SITS. THE HEARING SHALL BE HELD
2 AND NOTICE OF THE HEARING PROVIDED TO THE OWNER OF THE PARCEL
3 IN ACCORDANCE WITH SECTION 908 OF THE ACT OF JULY 31, 1968
4 (P.L.805, NO.247), KNOWN AS THE PENNSYLVANIA MUNICIPALITIES
5 PLANNING CODE.

6 (2) IF THE CONTRACTING AUTHORITY DETERMINES THAT IT WILL
7 TRANSFER A PARCEL OUT OF THE ZONE, THE CONTRACTING AUTHORITY
8 SHALL ISSUE A WRITTEN OPINION WITHIN 45 DAYS OF THE HEARING
9 SETTING FORTH THE REASONS SUPPORTING THE DETERMINATION.

10 SECTION 40. SECTION 1911-D(C) OF THE ACT, ADDED JULY 13,
11 2016 (P.L.526, NO.84), IS AMENDED TO READ:

12 SECTION 1911-D. ADDITIONAL KEYSTONE OPPORTUNITY ZONES.

13 * * *

14 (C) APPLICATION.--IN ORDER TO RECEIVE A DESIGNATION UNDER
15 THIS SECTION, THE DEPARTMENT MUST RECEIVE AN APPLICATION FROM A
16 POLITICAL SUBDIVISION OR ITS DESIGNEE NO LATER THAN OCTOBER 1,
17 [2016] 2018. THE APPLICATION MUST CONTAIN THE INFORMATION
18 REQUIRED UNDER SECTION 302 (A) (1), (2) (I) AND (IX), (5) AND (6)
19 OF THE KOZ ACT. THE DEPARTMENT, IN CONSULTATION WITH THE
20 DEPARTMENT OF REVENUE, SHALL REVIEW THE APPLICATION AND, IF
21 APPROVED, ISSUE A CERTIFICATION OF ALL TAX EXEMPTIONS,
22 DEDUCTIONS, ABATEMENTS OR CREDITS UNDER THIS ACT FOR THE ZONE
23 WITHIN THREE MONTHS OF RECEIPT OF THE APPLICATION. THE
24 DEPARTMENT SHALL ACT ON AN APPLICATION FOR A DESIGNATION UNDER
25 SECTION 302 (A) (1) OF THE KOZ ACT BY DECEMBER 31, [2016] 2018.
26 THE DEPARTMENT MAY MAKE DESIGNATIONS UNDER THIS SECTION ON A
27 ROLLING BASIS DURING THE APPLICATION PERIOD.

28 * * *

29 SECTION 41. SECTION 2166 OF THE ACT IS AMENDED TO READ:

30 SECTION 2166. TIMELY MAILING TREATED AS TIMELY FILING AND

1 PAYMENT.--NOTWITHSTANDING THE PROVISIONS OF ANY STATE TAX LAW TO
2 THE CONTRARY, WHENEVER A REPORT OR PAYMENT OF ALL OR ANY PORTION
3 OF A STATE TAX IS REQUIRED BY LAW TO BE RECEIVED BY THE
4 DEPARTMENT OR OTHER AGENCY OF THE COMMONWEALTH ON OR BEFORE A
5 DAY CERTAIN, THE TAXPAYER SHALL BE DEEMED TO HAVE COMPLIED WITH
6 THE LAW IF THE LETTER TRANSMITTING THE REPORT OR PAYMENT OF THE
7 TAX WHICH HAS BEEN RECEIVED BY THE DEPARTMENT IS POSTMARKED BY
8 THE UNITED STATES POSTAL SERVICE ON OR PRIOR TO THE FINAL DAY ON
9 WHICH THE PAYMENT IS TO BE RECEIVED. FOR THE PURPOSES OF THIS
10 ARTICLE, PRESENTATION OF A RECEIPT INDICATING THAT THE REPORT OR
11 PAYMENT WAS MAILED BY REGISTERED OR CERTIFIED MAIL ON OR BEFORE
12 THE DUE DATE SHALL BE EVIDENCE OF TIMELY FILING AND PAYMENT. ANY
13 INHERITANCE TAX RETURN FILED AFTER JULY 1, 2012, UNDER SECTION
14 2136 THAT REPORTS TRANSFERS OF PROPERTY THAT ARE EXEMPT FROM THE
15 INHERITANCE TAX UNDER SECTION 2111(S), (S.1) AND (T) SHALL BE
16 CONSIDERED TIMELY FILED IF FILED WITHIN ONE YEAR OF THE TAX
17 RETURN DUE DATE, INCLUDING AN EXTENDED DUE DATE.

18 SECTION 42. SECTION 2301(E) OF THE ACT IS AMENDED AND THE
19 SECTION IS AMENDED BY ADDING A SUBSECTION TO READ:

20 SECTION 2301. PUBLIC TRANSPORTATION ASSISTANCE FUND.--* * *

21 (E) [THERE] EXCEPT AS PROVIDED IN SUBSECTION (E.1), THERE IS
22 HEREBY IMPOSED ON EACH RENTAL OF A MOTOR VEHICLE SUBJECT TO TAX
23 UNDER ARTICLE II A FEE OF TWO DOLLARS (\$2) FOR EACH DAY OR PART
24 OF A DAY FOR WHICH THE VEHICLE IS RENTED.

25 (E.1) (1) THERE IS HEREBY IMPOSED ON EACH RENTAL OF A MOTOR
26 VEHICLE SUBJECT TO TAX UNDER ARTICLE II AND USED IN CARSHARING A
27 FEE FOR EACH DAY OR PART OF A DAY COMPUTED ACCORDING TO THE
28 FOLLOWING SCHEDULE:

29	<u>RENTAL INTERVAL</u>	<u>FEE</u>
30	<u>LESS THAN 2 HOURS</u>	<u>\$.25</u>

1	<u>2 TO 3 HOURS</u>	<u>\$.50</u>
2	<u>MORE THAN 3, BUT LESS</u>	
3	<u>THAN 4 HOURS</u>	<u>\$1.25</u>
4	<u>4 HOURS OR MORE</u>	<u>\$2.00</u>

5 (2) FOR PURPOSES OF THIS SUBSECTION, THE TERM "CARSHARING"
6 SHALL MEAN A MEMBERSHIP BASED SERVICE THAT PROVIDES AN
7 ALTERNATIVE TO PERSONAL CAR OWNERSHIP AND WHICH MEETS THE
8 FOLLOWING CONDITIONS:

9 (I) DOES NOT REQUIRE A TRIP-SPECIFIC WRITTEN AGREEMENT EACH
10 TIME A MEMBER RENTS A VEHICLE.

11 (II) DOES NOT REQUIRE AN ATTENDANT TO BE PRESENT AT THE
12 BEGINNING OR END OF A RENTAL.

13 (III) OFFERS MEMBERS ACCESS TO A DISPERSED NETWORK OF SHARED
14 VEHICLES 24-HOURS PER DAY, 7 DAYS PER WEEK, 365 DAYS PER YEAR.

15 (IV) ALLOWS A VEHICLE TO BE RENTED ON A PER MINUTE, PER
16 HOUR, PER DAY, OR PER TRIP BASIS, AND AT PER MILE OR PER
17 KILOMETER RATES, WHICH TYPICALLY INCLUDE FUEL, INSURANCE AND
18 MAINTENANCE.

19 SECTION 43. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

20 ARTICLE XXIV

21 FIREWORKS

22 SECTION 2401. DEFINITIONS.

23 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
24 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
25 CONTEXT CLEARLY INDICATES OTHERWISE:

26 "APA 87-1." THE AMERICAN PYROTECHNICS ASSOCIATION STANDARD
27 87-1: STANDARD FOR CONSTRUCTION AND APPROVAL FOR TRANSPORTATION
28 OF FIREWORKS, NOVELTIES, AND THEATRICAL PYROTECHNICS, 2001
29 EDITION, OR ANY SUBSEQUENT EDITION.

30 "CONSUMER FIREWORKS."

1 (1) ANY COMBUSTIBLE OR EXPLOSIVE COMPOSITION OR ANY
2 SUBSTANCE OR COMBINATION OF SUBSTANCES WHICH IS INTENDED TO
3 PRODUCE VISIBLE OR AUDIBLE EFFECTS BY COMBUSTION, IS SUITABLE
4 FOR USE BY THE PUBLIC, COMPLIES WITH THE CONSTRUCTION,
5 PERFORMANCE, COMPOSITION AND LABELING REQUIREMENTS
6 PROMULGATED BY THE CONSUMER PRODUCTS SAFETY COMMISSION IN 16
7 CFR (RELATING TO COMMERCIAL PRACTICES) OR ANY SUCCESSOR
8 REGULATION AND COMPLIES WITH THE PROVISIONS FOR "CONSUMER
9 FIREWORKS" AS DEFINED IN APA 87-1 OR ANY SUCCESSOR STANDARD,
10 THE SALE, POSSESSION AND USE OF WHICH SHALL BE PERMITTED
11 THROUGHOUT THIS COMMONWEALTH.

12 (2) THE TERM DOES NOT INCLUDE DEVICES AS "GROUND AND
13 HAND-HELD SPARKLING DEVICES," "NOVELTIES" OR "TOY CAPS" IN
14 APA 87-1 OR ANY SUCCESSOR STANDARD, THE SALE, POSSESSION AND
15 USE OF WHICH SHALL BE PERMITTED AT ALL TIMES THROUGHOUT THIS
16 COMMONWEALTH.

17 "DISPLAY FIREWORKS." LARGE FIREWORKS TO BE USED SOLELY BY
18 PROFESSIONAL PYROTECHNICIANS AND DESIGNED PRIMARILY TO PRODUCE
19 VISIBLE OR AUDIBLE EFFECTS BY COMBUSTION, DEFLAGRATION OR
20 DETONATION. THE TERM INCLUDES, BUT IS NOT LIMITED TO:

21 (1) SALUTES THAT CONTAIN MORE THAN TWO GRAINS OR 130
22 MILLIGRAMS OF EXPLOSIVE MATERIALS;

23 (2) AERIAL SHELLS CONTAINING MORE THAN 60 GRAMS OF
24 PYROTECHNIC COMPOSITIONS; AND

25 (3) OTHER DISPLAY PIECES THAT EXCEED THE LIMITS OF
26 EXPLOSIVE MATERIALS FOR CLASSIFICATION AS CONSUMER FIREWORKS
27 AND ARE CLASSIFIED AS FIREWORKS UN0333, UN0334 OR UN0335
28 UNDER 49 CFR 172.101 (RELATING TO PURPOSE AND USE OF
29 HAZARDOUS MATERIALS TABLE).

30 "MUNICIPALITY." A CITY, BOROUGH, INCORPORATED TOWN OR

1 TOWNSHIP.

2 "NFPA 1124." THE NATIONAL FIRE PROTECTION ASSOCIATION
3 STANDARD 1124, CODE FOR THE MANUFACTURE, TRANSPORTATION AND
4 STORAGE OF FIREWORKS AND PYROTECHNIC ARTICLES, 2017 EDITION, OR
5 ANY SUBSEQUENT EDITION.

6 "OCCUPIED STRUCTURE." A STRUCTURE, VEHICLE OR PLACE ADAPTED
7 FOR OVERNIGHT ACCOMMODATION OF PERSONS OR FOR CONDUCTING
8 BUSINESS WHETHER OR NOT A PERSON IS ACTUALLY PRESENT.

9 "OUTDOOR STORAGE UNIT." A CONSUMER FIREWORKS BUILDING,
10 TRAILER, SEMITRAILER, METAL SHIPPING CONTAINER OR MAGAZINE
11 MEETING THE SPECIFICATIONS OF NFPA 1124.

12 "TEMPORARY STRUCTURE." A STRUCTURE, OTHER THAN A PERMANENT
13 FACILITY WITH FIXED UTILITY CONNECTIONS, WHICH IS IN USE OR IN
14 PLACE FOR A PERIOD OF 20 CONSECUTIVE CALENDAR DAYS OR LESS AND
15 IS DEDICATED TO THE STORAGE AND SALE OF CONSUMER FIREWORKS AND
16 RELATED ITEMS. THE TERM INCLUDES TEMPORARY RETAIL SALES STANDS,
17 TENTS, CANOPIES AND MEMBRANE STRUCTURES MEETING THE
18 SPECIFICATIONS OF NFPA 1124.

19 SECTION 2402. PERMITS.

20 (A) PERMISSIBLE PURPOSES.--DISPLAY FIREWORKS MAY BE
21 POSSESSED AND USED BY A PERSON HOLDING A PERMIT FROM A
22 MUNICIPALITY AT THE DISPLAY COVERED BY THE PERMIT OR WHEN USED
23 AS AUTHORIZED BY A PERMIT FOR ANY OF THE FOLLOWING:

24 (1) FOR AGRICULTURAL PURPOSES IN CONNECTION WITH THE
25 RAISING OF CROPS AND THE PROTECTION OF CROPS FROM BIRD AND
26 ANIMAL DAMAGE.

27 (2) BY RAILROADS OR OTHER TRANSPORTATION AGENCIES FOR
28 SIGNAL PURPOSES OR ILLUMINATION.

29 (3) IN QUARRYING OR FOR BLASTING OR OTHER INDUSTRIAL
30 USE.

1 (4) IN THE SALE OR USE OF BLANK CARTRIDGES FOR A SHOW OR
2 THEATER.

3 (5) FOR SIGNAL OR CEREMONIAL PURPOSES IN ATHLETICS OR
4 SPORTS.

5 (6) BY MILITARY ORGANIZATIONS OR ORGANIZATIONS COMPOSED
6 OF VETERANS OF THE ARMED FORCES OF THE UNITED STATES.

7 (B) AGE LIMITATION.--A DISPLAY FIREWORKS PERMIT MAY NOT BE
8 ISSUED TO A PERSON UNDER 21 YEARS OF AGE.

9 (C) BOND.--THE GOVERNING BODY OF THE MUNICIPALITY SHALL
10 REQUIRE A BOND DEEMED ADEQUATE BY IT FROM THE PERMITTEE IN A SUM
11 NOT LESS THAN \$50,000 CONDITIONED FOR THE PAYMENT OF ALL DAMAGES
12 WHICH MAY BE CAUSED TO A PERSON OR PROPERTY BY REASON OF THE
13 DISPLAY AND ARISING FROM AN ACT OF THE PERMITTEE OR AN AGENT, AN
14 EMPLOYEE OR A SUBCONTRACTOR OF THE PERMITTEE.

15 SECTION 2403. REQUEST FOR EXTENSION.

16 (A) AUTHORIZATION.--IF, BECAUSE OF UNFAVORABLE WEATHER, THE
17 DISPLAY FOR WHICH A PERMIT HAS BEEN GRANTED DOES NOT OCCUR AT
18 THE TIME AUTHORIZED BY THE PERMIT, THE PERSON TO WHOM THE PERMIT
19 WAS ISSUED MAY WITHIN 24 HOURS APPLY FOR A REQUEST FOR EXTENSION
20 TO THE MUNICIPALITY WHICH GRANTED THE PERMIT.

21 (B) CONTENTS OF REQUEST.--THE REQUEST FOR EXTENSION SHALL
22 STATE UNDER OATH THAT THE DISPLAY WAS NOT MADE, PROVIDE THE
23 REASON THAT THE DISPLAY WAS NOT MADE AND REQUEST A CONTINUANCE
24 OF THE PERMIT FOR A DATE DESIGNATED WITHIN THE REQUEST, WHICH
25 SHALL BE NOT LATER THAN ONE WEEK AFTER THE DATE ORIGINALLY
26 DESIGNATED IN THE PERMIT.

27 (C) DETERMINATION.--UPON RECEIVING THE REQUEST FOR
28 EXTENSION, THE MUNICIPALITY, IF IT BELIEVES THAT THE FACTS
29 STATED WITHIN THE REQUEST ARE TRUE, SHALL EXTEND THE PROVISIONS
30 OF THE PERMIT TO THE DATE DESIGNATED WITHIN THE REQUEST, WHICH

1 SHALL BE NOT LATER THAN ONE WEEK AFTER THE DATE ORIGINALLY
2 DESIGNATED IN THE PERMIT.

3 (D) CONDITIONS.--THE EXTENSION OF TIME SHALL BE GRANTED
4 WITHOUT THE PAYMENT OF AN ADDITIONAL FEE AND WITHOUT REQUIRING A
5 BOND OTHER THAN THE BOND GIVEN FOR THE ORIGINAL PERMIT, THE
6 PROVISIONS OF WHICH SHALL EXTEND TO AND COVER ALL DAMAGES WHICH
7 MAY BE CAUSED BY REASON OF THE DISPLAY OCCURRING AT THE EXTENDED
8 DATE AND IN THE SAME MANNER AND TO THE SAME EXTENT AS IF THE
9 DISPLAY HAD OCCURRED AT THE DATE ORIGINALLY DESIGNATED IN THE
10 PERMIT.

11 SECTION 2404. USE OF CONSUMER FIREWORKS.

12 (A) CONDITIONS.--A PERSON WHO IS AT LEAST 18 YEARS OF AGE
13 AND MEETS THE REQUIREMENTS OF THIS ARTICLE MAY PURCHASE, POSSESS
14 AND USE CONSUMER FIREWORKS.

15 (B) PROHIBITIONS.--A PERSON MAY NOT INTENTIONALLY IGNITE OR
16 DISCHARGE:

17 (1) CONSUMER FIREWORKS ON PUBLIC OR PRIVATE PROPERTY
18 WITHOUT THE EXPRESS PERMISSION OF THE OWNER.

19 (2) CONSUMER FIREWORKS OR SPARKLING DEVICES WITHIN, OR
20 THROW CONSUMER FIREWORKS OR SPARKLING DEVICES FROM, A MOTOR
21 VEHICLE OR BUILDING.

22 (3) CONSUMER FIREWORKS OR SPARKLING DEVICES INTO OR AT A
23 MOTOR VEHICLE OR BUILDING OR AT ANOTHER PERSON.

24 (4) CONSUMER FIREWORKS OR SPARKLING DEVICES WHILE THE
25 PERSON IS UNDER THE INFLUENCE OF ALCOHOL, A CONTROLLED
26 SUBSTANCE OR ANOTHER DRUG.

27 (5) CONSUMER FIREWORKS WITHIN 150 FEET OF AN OCCUPIED
28 STRUCTURE.

29 SECTION 2404.1. USE OF DISPLAY FIREWORKS.

30 NO DISPLAY FIREWORKS SHALL BE IGNITED WITHIN 300 FEET OF A

1 FACILITY THAT MEETS THE REQUIREMENTS OF SECTION 2407 OR 2410.
2 SECTION 2405. AGRICULTURAL PURPOSES.

3 (A) AUTHORIZATION.--THE GOVERNING BODY OF A MUNICIPALITY
4 MAY, UNDER REASONABLE RULES AND REGULATIONS ADOPTED BY IT, GRANT
5 PERMITS FOR THE USE OF SUITABLE FIREWORKS FOR AGRICULTURAL
6 PURPOSES IN CONNECTION WITH THE RAISING OF CROPS AND THE
7 PROTECTION OF CROPS FROM BIRD AND ANIMAL DAMAGE.

8 (B) DURATION OF PERMIT.--A PERMIT UNDER THIS SECTION SHALL
9 REMAIN IN EFFECT FOR THE CALENDAR YEAR IN WHICH IT WAS ISSUED.

10 (C) CONDITIONS.--AFTER A PERMIT UNDER THIS SECTION HAS BEEN
11 GRANTED, SALES, POSSESSION AND USE OF FIREWORKS OF THE TYPE AND
12 FOR THE PURPOSE MENTIONED IN THE PERMIT SHALL BE LAWFUL FOR THAT
13 PURPOSE ONLY.

14 SECTION 2406. RULES AND REGULATIONS BY MUNICIPALITY.

15 (A) AUTHORIZATION.--PERMISSION SHALL BE GIVEN BY THE
16 GOVERNING BODY OF A MUNICIPALITY UNDER REASONABLE RULES AND
17 REGULATIONS FOR DISPLAYS OF DISPLAY FIREWORKS TO BE HELD WITHIN
18 THE MUNICIPALITY.

19 (B) CONDITIONS.--

20 (1) EACH DISPLAY SHALL BE:

21 (I) HANDLED BY A COMPETENT OPERATOR; AND

22 (II) OF A CHARACTER AND SO LOCATED, DISCHARGED OR
23 FIRED AS, IN THE OPINION OF THE CHIEF OF THE FIRE
24 DEPARTMENT OR OTHER APPROPRIATE OFFICER AS MAY BE
25 DESIGNATED BY THE GOVERNING BODY OF THE MUNICIPALITY,
26 AFTER PROPER INSPECTION, TO NOT BE HAZARDOUS TO PROPERTY
27 OR ENDANGER ANY PERSON.

28 (2) AFTER PERMISSION IS GRANTED UNDER THIS SECTION,
29 POSSESSION AND USE OF DISPLAY FIREWORKS FOR DISPLAY SHALL BE
30 LAWFUL FOR THAT PURPOSE ONLY.

1 (3) A PERMIT SHALL BE TRANSFERABLE.

2 SECTION 2407. SALES LOCATIONS.

3 EXCEPT AS PROVIDED IN SECTION 2410, CONSUMER FIREWORKS SHALL
4 BE SOLD ONLY FROM FACILITIES WHICH ARE LICENSED BY THE
5 DEPARTMENT OF AGRICULTURE AND THAT MEET THE FOLLOWING CRITERIA:

6 (1) THE FACILITY SHALL COMPLY WITH THE PROVISIONS OF THE
7 ACT OF NOVEMBER 10, 1999 (P.L.491, NO.45), KNOWN AS THE
8 PENNSYLVANIA CONSTRUCTION CODE ACT.

9 (2) THE FACILITY SHALL BE A STAND-ALONE PERMANENT
10 STRUCTURE.

11 (3) STORAGE AREAS SHALL BE SEPARATED FROM WHOLESALE OR
12 RETAIL SALES AREAS TO WHICH A PURCHASER MAY BE ADMITTED BY
13 APPROPRIATELY RATED FIRE SEPARATION.

14 (4) THE FACILITY SHALL BE LOCATED NO CLOSER THAN 250
15 FEET FROM A FACILITY SELLING OR DISPENSING GASOLINE, PROPANE
16 OR OTHER FLAMMABLE PRODUCTS.

17 (5) THE FACILITY SHALL BE LOCATED AT LEAST 1,500 FEET
18 FROM ANOTHER FACILITY LICENSED TO SELL CONSUMER FIREWORKS.

19 (6) THE FACILITY SHALL HAVE A MONITORED BURGLAR AND FIRE
20 ALARM SYSTEM.

21 (7) QUARTERLY FIRE DRILLS AND PREPLANNING MEETINGS SHALL
22 BE CONDUCTED AS REQUIRED BY THE PRIMARY FIRE DEPARTMENT.

23 SECTION 2408. FEES, GRANTING OF LICENSES AND INSPECTIONS.

24 (A) INITIAL APPLICATION FEES.--

25 (1) AN INITIAL APPLICATION FOR A LICENSE TO SELL
26 CONSUMER FIREWORKS SHALL BE SUBMITTED TO THE DEPARTMENT OF
27 AGRICULTURE ON FORMS PRESCRIBED AND PROVIDED BY THE
28 DEPARTMENT WITH A NONREFUNDABLE APPLICATION FEE AS FOLLOWS:

29 (I) FOR A FACILITY MEETING THE REQUIREMENTS OF
30 SECTION 2407, THE APPLICATION SHALL BE SUBMITTED WITH A

1 NONREFUNDABLE APPLICATION FEE OF \$2,500.

2 (II) FOR A FACILITY MEETING THE REQUIREMENTS OF
3 SECTION 2410, THE APPLICATION SHALL BE SUBMITTED WITH A
4 NONREFUNDABLE APPLICATION FEE OF \$1,000 NO LATER THAN 60
5 DAYS PRIOR TO THE FIRST DAY OF SALE.

6 (2) AN APPLICATION UNDER PARAGRAPH (1) (I) OR (II) SHALL
7 ALSO BE ACCOMPANIED BY THE APPROPRIATE ANNUAL LICENSE FEE AS
8 PROVIDED IN SUBSECTION (B).

9 (B) ANNUAL LICENSE FEES.--THE ANNUAL LICENSE FEE FOR A
10 FACILITY LICENSED TO SELL CONSUMER FIREWORKS SHALL BE AS
11 FOLLOWS:

12 (1) \$7,500 FOR A LOCATION UP TO 10,000 SQUARE FEET;

13 (2) \$10,000 FOR A LOCATION GREATER THAN 10,000 AND UP TO
14 15,000 SQUARE FEET;

15 (3) \$20,000 FOR A LOCATION GREATER THAN 15,000 SQUARE
16 FEET;

17 (4) EXCEPT AS PROVIDED IN PARAGRAPH (5), \$4,500 FOR A
18 TEMPORARY STRUCTURE; AND

19 (5) \$2,000 FOR A TEMPORARY STRUCTURE NOT LICENSED TO
20 SELL CONSUMER FIREWORKS UNDER SECTION 2410.

21 (C) TIME LIMITATIONS AND INSPECTIONS.--

22 (1) A FACILITY MEETING THE REQUIREMENTS OF SECTION 2407
23 SHALL BE INSPECTED BY THE DEPARTMENT OF AGRICULTURE WITHIN 30
24 DAYS OF RECEIPT OF A COMPLETE APPLICATION FOR A LICENSE. THE
25 DEPARTMENT OF AGRICULTURE SHALL ISSUE OR DENY A LICENSE
26 WITHIN 14 DAYS OF COMPLETING THE INSPECTION.

27 (2) THE DEPARTMENT OF AGRICULTURE SHALL ISSUE OR DENY A
28 LICENSE FOR A FACILITY MEETING THE REQUIREMENTS OF SECTION
29 2410 NO LATER THAN 10 DAYS PRIOR TO THE FIRST DAY OF SALE.
30 THE FACILITY SHALL BE AVAILABLE FOR INSPECTION BY THE

1 DEPARTMENT OF AGRICULTURE FOR COMPLIANCE WITH NFPA 1124 AT
2 ALL TIMES DURING THE LICENSED SELLING PERIOD.

3 (D) TERM OF LICENSE.--A LICENSE ISSUED FOR THE SALE OF
4 CONSUMER FIREWORKS SHALL BE EFFECTIVE FOR ONE YEAR FROM THE DATE
5 THE LICENSE IS ISSUED.

6 (E) LICENSE RENEWAL AND INSPECTIONS.--LICENSE RENEWAL SHALL
7 BE AUTOMATIC UPON PAYMENT OF THE APPROPRIATE ANNUAL LICENSE FEE
8 UNDER SUBSECTION (B), BUT EACH FACILITY SHALL BE SUBJECT TO
9 ANNUAL INSPECTIONS BY THE DEPARTMENT OF AGRICULTURE AND AT OTHER
10 TIMES AS THE DEPARTMENT MAY DEEM APPROPRIATE.

11 (F) CONDITION.--NO LICENSE MAY BE ISSUED TO A CONVICTED
12 FELON OR TO AN ENTITY IN WHICH A CONVICTED FELON OWNS A
13 PERCENTAGE OF THE EQUITY INTEREST.

14 SECTION 2409. CONDITIONS FOR FACILITIES.

15 A FACILITY LICENSED BY THE DEPARTMENT OF AGRICULTURE SHALL BE
16 EXCLUSIVELY DEDICATED TO THE STORAGE AND SALE OF CONSUMER
17 FIREWORKS AND RELATED ITEMS, AND THE FACILITY SHALL OPERATE IN
18 ACCORDANCE WITH THE FOLLOWING RULES:

19 (1) THERE SHALL BE SECURITY PERSONNEL ON THE PREMISES
20 FOR THE SEVEN DAYS PRECEDING AND INCLUDING JULY 4 AND FOR THE
21 THREE DAYS PRECEDING AND INCLUDING JANUARY 2.

22 (2) NO SMOKING SHALL BE PERMITTED IN THE FACILITY.

23 (3) NO CIGARETTES OR TOBACCO PRODUCTS, MATCHES, LIGHTERS
24 OR ANY OTHER FLAME-PRODUCING DEVICES SHALL BE PERMITTED TO BE
25 TAKEN INTO THE FACILITY.

26 (4) NO MINORS SHALL BE PERMITTED IN THE FACILITY UNLESS
27 ACCOMPANIED BY AN ADULT, AND EACH MINOR SHALL STAY WITH THE
28 ADULT IN THE FACILITY.

29 (5) ALL FACILITIES SHALL CARRY AT LEAST \$2,000,000 IN
30 PUBLIC AND PRODUCT LIABILITY INSURANCE.

1 (6) A LICENSEE SHALL PROVIDE ITS EMPLOYEES WITH
2 DOCUMENTED TRAINING IN THE AREA OF OPERATIONAL SAFETY OF A
3 FACILITY. THE LICENSEE SHALL PROVIDE TO THE DEPARTMENT OF
4 AGRICULTURE WRITTEN DOCUMENTATION THAT EACH EMPLOYEE HAS
5 RECEIVED THE TRAINING.

6 (7) NO DISPLAY FIREWORKS SHALL BE STORED OR LOCATED AT A
7 FACILITY.

8 (8) NO PERSON WHO APPEARS TO BE UNDER THE INFLUENCE OF
9 INTOXICATING LIQUOR OR DRUGS SHALL BE ADMITTED TO THE
10 FACILITY, AND NO LIQUOR, BEER OR WINE SHALL BE PERMITTED IN
11 THE FACILITY.

12 (9) EMERGENCY EVACUATION PLANS SHALL BE CONSPICUOUSLY
13 POSTED IN APPROPRIATE LOCATIONS WITHIN THE FACILITY.

14 SECTION 2410. TEMPORARY STRUCTURES.

15 (A) CONDITIONS.--NOTWITHSTANDING SECTION 2407 OR ANY OTHER
16 PROVISION OF LAW, A TEMPORARY STRUCTURE MAY BE LICENSED BY THE
17 DEPARTMENT OF AGRICULTURE TO SELL CONSUMER FIREWORKS IF THE
18 TEMPORARY STRUCTURE MEETS ALL OF THE FOLLOWING REQUIREMENTS:

19 (1) THE TEMPORARY STRUCTURE IS LOCATED NO CLOSER THAN
20 250 FEET FROM A FACILITY STORING, SELLING OR DISPENSING
21 GASOLINE, PROPANE OR OTHER FLAMMABLE PRODUCTS.

22 (2) AN EVACUATION PLAN IS POSTED IN A CONSPICUOUS
23 LOCATION FOR A TEMPORARY STRUCTURE IN ACCORDANCE WITH NFPA
24 1124.

25 (3) THE OUTDOOR STORAGE UNIT, IF ANY, IS SEPARATED FROM
26 THE WHOLESALE OR RETAIL SALES AREA TO WHICH A PURCHASER MAY
27 BE ADMITTED BY APPROPRIATELY RATED FIRE SEPARATION.

28 (4) THE TEMPORARY STRUCTURE COMPLIES WITH NFPA 1124 AS
29 IT RELATES TO RETAIL SALES OF CONSUMER FIREWORKS IN TEMPORARY
30 STRUCTURES.

1 (5) THE TEMPORARY STRUCTURE IS LOCATED AT LEAST 40 MILES
2 FROM A PERMANENT FACILITY LICENSED TO SELL CONSUMER
3 FIREWORKS.

4 (6) THE TEMPORARY STRUCTURE DOES NOT EXCEED 2,500 SQUARE
5 FEET.

6 (7) THE TEMPORARY STRUCTURE IS SECURED AT ALL TIMES
7 DURING WHICH CONSUMER FIREWORKS ARE DISPLAYED WITHIN THE
8 STRUCTURE.

9 (8) THE TEMPORARY STRUCTURE HAS A MINIMUM OF \$2,000,000
10 IN PUBLIC AND PRODUCT LIABILITY INSURANCE.

11 (9) THE SALES PERIOD IS LIMITED TO JUNE 15 THROUGH JULY
12 8 AND DECEMBER 21 THROUGH JANUARY 2 OF EACH YEAR.

13 (10) CONSUMER FIREWORKS NOT ON DISPLAY FOR RETAIL SALE
14 ARE STORED IN AN OUTDOOR STORAGE UNIT.

15 (B) LIMITATIONS.--THE SALE OF CONSUMER FIREWORKS FROM THE
16 TEMPORARY STRUCTURE IS LIMITED TO THE FOLLOWING:

17 (1) HELICOPTER, AERIAL SPINNER (APA 87-1, 3.1.2.3).

18 (2) ROMAN CANDLE (APA 87-1, 3.1.2.4).

19 SECTION 2411. ATTORNEY GENERAL.

20 (A) REGISTRATION.--ANY BUSINESS ENTITY WHICH PERFORMS,
21 PROVIDES OR SUPERVISES FIREWORKS DISPLAYS OR EXHIBITIONS FOR
22 PROFIT SHALL REGISTER ANNUALLY WITH THE ATTORNEY GENERAL.

23 (B) RULES.--THE ATTORNEY GENERAL SHALL PROMULGATE RULES TO
24 IMPLEMENT THIS SECTION.

25 SECTION 2412. CONSUMER FIREWORKS TAX.

26 (A) IMPOSITION.--IN ADDITION TO ANY OTHER TAX IMPOSED BY
27 LAW, A TAX IS IMPOSED ON EACH SEPARATE SALE AT RETAIL OF
28 CONSUMER FIREWORKS, WHICH TAX SHALL BE COLLECTED BY THE RETAILER
29 FROM THE PURCHASER AT THE TIME OF SALE AND SHALL BE PAID OVER TO
30 THE COMMONWEALTH AS PROVIDED IN THIS SECTION. A TAX IMPOSED

1 UNDER THIS SUBSECTION ON EACH SEPARATE SALE AT RETAIL SHALL BE
2 PAID TO AND RECEIVED BY THE DEPARTMENT OF REVENUE AND, ALONG
3 WITH INTEREST AND PENALTIES, SHALL BE DEPOSITED INTO THE GENERAL
4 FUND.

5 (B) RATE.--THE TAX AUTHORIZED UNDER SUBSECTION (A) SHALL BE
6 IMPOSED AND COLLECTED AT THE RATE OF 12% OF THE PURCHASE PRICE
7 PER ITEM SOLD. THE PURCHASE PRICE SHALL INCLUDE STATE AND LOCAL
8 SALES TAXES.

9 (C) COLLECTION AND ADMINISTRATION.--THE PROVISIONS OF PART
10 VI OF ARTICLE II SHALL APPLY TO THE TAX AUTHORIZED UNDER
11 SUBSECTION (A). NO ADDITIONAL FEE SHALL BE CHARGED FOR A LICENSE
12 OR LICENSE RENEWAL OTHER THAN THE LICENSE OR RENEWAL FEE
13 REQUIRED UNDER SECTION 2408 AND THE LICENSE OR RENEWAL FEE
14 AUTHORIZED AND IMPOSED UNDER ARTICLE II.
15 SECTION 2413. DISPOSITION OF CERTAIN FUNDS.

16 (A) TRANSFER.--ONE-SIXTH OF THE TAX COLLECTED UNDER THIS
17 ARTICLE IN A FISCAL YEAR, NOT TO EXCEED \$2,000,000, SHALL BE
18 TRANSFERRED ANNUALLY FOR USE AS FOLLOWS:

19 (1) SEVENTY-FIVE PERCENT OF THE AMOUNT TRANSFERRED UNDER
20 THIS SUBSECTION SHALL BE USED FOR THE PURPOSE OF MAKING
21 GRANTS UNDER 35 PA.C.S. CH. 78 SUBCH. C (RELATING TO
22 EMERGENCY MEDICAL SERVICES GRANT PROGRAM).

23 (2) TWENTY-FIVE PERCENT OF THE AMOUNT TRANSFERRED UNDER
24 THIS SUBSECTION SHALL BE DEPOSITED INTO A SPECIAL ACCOUNT IN
25 THE STATE TREASURY DESIGNATED AS THE ONLINE TRAINING EDUCATOR
26 AND TRAINING REIMBURSEMENT ACCOUNT FOR THE PURPOSES OF
27 DEVELOPING, DELIVERING AND SUSTAINING TRAINING PROGRAMS FOR
28 VOLUNTEER FIREFIGHTERS IN THIS COMMONWEALTH.

29 (3) THE OFFICE OF THE STATE FIRE COMMISSIONER SHALL
30 ESTABLISH GUIDELINES FOR USE OF THE MONEY DEPOSITED UNDER

1 PARAGRAPH (2). BY DECEMBER 31, 2018, AND EACH DECEMBER 31
2 THEREAFTER, THE OFFICE OF THE STATE FIRE COMMISSIONER SHALL
3 PROVIDE A WRITTEN REPORT DETAILING THE USE OF THE MONEY
4 RECEIVED FROM THE PRIOR FISCAL YEAR TO THE CHAIRPERSON AND
5 MINORITY CHAIRPERSON OF THE AGRICULTURE AND RURAL AFFAIRS
6 COMMITTEE OF THE SENATE, THE CHAIRPERSON AND MINORITY
7 CHAIRPERSON OF THE VETERANS AFFAIRS AND EMERGENCY
8 PREPAREDNESS COMMITTEE OF THE SENATE, THE CHAIRPERSON AND
9 MINORITY CHAIRPERSON OF THE AGRICULTURE AND RURAL AFFAIRS
10 COMMITTEE OF THE HOUSE OF REPRESENTATIVES AND THE VETERANS
11 AFFAIRS AND EMERGENCY PREPAREDNESS COMMITTEE OF THE HOUSE OF
12 REPRESENTATIVES.

13 (B) PAYMENTS.--THE TRANSFER REQUIRED UNDER SUBSECTION (A)
14 SHALL BE MADE BY SEPTEMBER 15, 2018, AND EACH SEPTEMBER 15
15 THEREAFTER.

16 SECTION 2414. PENALTIES.

17 THE FOLLOWING SHALL APPLY:

18 (1) A PERSON USING CONSUMER FIREWORKS IN VIOLATION OF
19 THE PROVISIONS OF THIS ARTICLE COMMITS A SUMMARY OFFENSE AND,
20 UPON CONVICTION, SHALL BE PUNISHED BY A FINE OF NOT MORE THAN
21 \$100.

22 (2) A PERSON SELLING CONSUMER FIREWORKS IN VIOLATION OF
23 THE PROVISIONS OF THIS ACT COMMITS A MISDEMEANOR OF THE
24 SECOND DEGREE.

25 (3) A PERSON SELLING DISPLAY FIREWORKS IN VIOLATION OF
26 THE PROVISIONS OF THIS ACT COMMITS A FELONY OF THE THIRD
27 DEGREE.

28 (4) A PERSON SELLING FEDERALLY ILLEGAL EXPLOSIVES SUCH
29 AS DEVICES AS DESCRIBED IN 49 CFR 173.54 (RELATING TO
30 FORBIDDEN EXPLOSIVES) OR THOSE DEVICES THAT HAVE NOT BEEN

1 TESTED, APPROVED AND LABELED BY THE UNITED STATES DEPARTMENT
2 OF TRANSPORTATION, INCLUDING, BUT NOT LIMITED TO, THOSE
3 DEVICES COMMONLY REFERRED TO AS "M-80," "M-100,"
4 "BLOCKBUSTER," "CHERRY BOMB" OR "QUARTER OR HALF STICK"
5 EXPLOSIVE DEVICES, IN VIOLATION OF THE PROVISIONS OF THIS ACT
6 COMMITTS A FELONY OF THE THIRD DEGREE.

7 SECTION 2415. REMOVAL, STORAGE AND DESTRUCTION.

8 THE PENNSYLVANIA STATE POLICE, A SHERIFF OR POLICE OFFICER
9 SHALL TAKE, REMOVE OR CAUSE TO BE REMOVED AT THE EXPENSE OF THE
10 OWNER ALL STOCKS OF CONSUMER FIREWORKS OR DISPLAY FIREWORKS OR
11 COMBUSTIBLES OFFERED OR EXPOSED FOR SALE, STORED OR HELD IN
12 VIOLATION OF THIS ARTICLE. THE OWNER SHALL ALSO BE RESPONSIBLE
13 FOR THE STORAGE AND, IF DEEMED NECESSARY, THE DESTRUCTION OF
14 THESE FIREWORKS.

15 SECTION 44. SECTION 2702(A) AND (A.1)(2) OF THE ACT ARE
16 AMENDED TO READ:

17 SECTION 2702. PETITION FOR REASSESSMENT.

18 (A) GENERAL RULE.--A TAXPAYER MAY FILE A PETITION FOR
19 REASSESSMENT WITH THE DEPARTMENT WITHIN [90] 60 DAYS AFTER THE
20 MAILING DATE OF THE NOTICE OF ASSESSMENT.

21 (A.1) PETITION FOR REVIEW OF TAX ADJUSTMENT NOT RESULTING IN
22 AN INCREASE IN LIABILITY.--

23 * * *

24 (2) A TAXPAYER MUST FILE A PETITION FOR REVIEW UNDER
25 THIS SUBSECTION WITHIN [90] 60 DAYS OF THE MAILING DATE OF
26 THE DEPARTMENT'S NOTICE OF ADJUSTMENT. A TAXPAYER'S FAILURE
27 TO FILE A PETITION UNDER THIS SUBSECTION SHALL NOT PREJUDICE
28 THE TAXPAYER'S RIGHT TO FILE A PETITION IN A SUBSEQUENT TAX
29 YEAR.

30 * * *

1 SECTION 45. SECTION 2704(A) AND (B) OF THE ACT ARE AMENDED
2 TO READ:

3 SECTION 2704. REVIEW BY BOARD.

4 (A) PETITION FOR REVIEW OF A DECISION AND ORDER.--WITHIN
5 [90] 60 DAYS AFTER THE MAILING DATE OF THE DEPARTMENT'S NOTICE
6 OF DECISION AND ORDER ON A PETITION FILED WITH IT, A TAXPAYER
7 MAY PETITION THE BOARD TO REVIEW THE DECISION AND ORDER OF THE
8 DEPARTMENT.

9 (B) PETITION FOR REVIEW OF DENIAL BY DEPARTMENT'S FAILURE TO
10 ACT.--A PETITION FOR REVIEW MAY BE FILED WITH THE BOARD WITHIN
11 [90] 60 DAYS AFTER THE MAILING DATE OF THE DEPARTMENT'S NOTICE
12 TO THE PETITIONER OF ITS FAILURE TO DISPOSE OF THE PETITION
13 WITHIN THE TIME PERIODS PRESCRIBED BY SECTION 2703(D) [OR] (E)
14 OR (E.1).

15 * * *

16 SECTION 46. IF ALL OR A PART OF THE NET LOSS DEDUCTION UNDER
17 SECTION 401(3)4(C) OF THE ACT HAS BEEN DEEMED UNCONSTITUTIONAL
18 AS A RESULT OF A DECISION BY THE PENNSYLVANIA SUPREME COURT, THE
19 SECRETARY OF REVENUE SHALL SUBMIT A NOTICE OF THE DECISION FOR
20 PUBLICATION IN THE PENNSYLVANIA BULLETIN.

21 SECTION 47. THIS ACT SHALL APPLY AS FOLLOWS:

22 (1) AS FOLLOWS:

23 (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II),
24 SECTIONS 213.2, 213.4 AND 213.5 OF THE ACT SHALL APPLY TO
25 TRANSACTIONS THAT OCCUR AFTER DECEMBER 31, 2017.

26 (II) SECTIONS 213.2, 213.4 AND 213.5 OF THE ACT, AS
27 THEY RELATE TO TANGIBLE PERSONAL PROPERTY DESCRIBED IN
28 SECTION 201(M)(2), SHALL APPLY TO TRANSACTIONS THAT OCCUR
29 AFTER DECEMBER 31, 2018.

30 (2) THE AMENDMENT OR ADDITION OF THE FOLLOWING

1 PROVISIONS OF THE ACTS SHALL APPLY TO PETITIONS FOR REFUNDS,
2 PETITIONS FOR REASSESSMENTS AND PETITIONS FOR
3 REDETERMINATIONS FILED WITH THE DEPARTMENT ON OR AFTER 60
4 DAYS FROM THE EFFECTIVE DATE OF THIS SECTION:

5 (I) SECTION 2702(A) AND (A.1)(2).

6 (II) SECTION 2704(A) AND (B).

7 SECTION 48. REPEALS ARE AS FOLLOWS:

8 (1) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER
9 PARAGRAPH (2) IS NECESSARY TO EFFECTUATE THE ADDITION OF
10 SUBARTICLE E OF ARTICLE XVII-D.

11 (2) 12 PA.C.S. CH. 33 IS REPEALED.

12 (3) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER
13 PARAGRAPH (4) IS NECESSARY TO EFFECTUATE THE ADDITION OF
14 ARTICLE XXIV OF THE ACT.

15 (4) THE ACT OF MAY 15, 1939 (P.L.134, NO.65), REFERRED
16 TO AS THE FIREWORKS LAW, IS REPEALED.

17 SECTION 49. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

18 (1) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT IN 60
19 DAYS:

20 (I) THE AMENDMENT OR ADDITION OF SECTIONS 312, 316,
21 316.1, 316.2, 317, 317.1, 317.2, 318, 318.1, 319, 319.1,
22 320, 320.1, 321.2, THE HEADING OF PART VII-A OF ARTICLE
23 III, 324.1(C), 324.2, 324.4, 324.5, 335(F) AND 352(F),
24 (H) AND (J) OF THE ACT.

25 (I.1) THE ADDITION OF SECTION 401(3)4(C.1) OF THE
26 ACT.

27 (II) THE ADDITION OF PART IV-A OF ARTICLE IV OF THE
28 ACT.

29 (II.1) THE ADDITION OF ARTICLE XVII-A.1 OF THE ACT.

30 (III) THE ADDITION OF THE DEFINITIONS OF

1 "DETERIORATED PROPERTY" AND "FILM PRODUCTION TAX CREDIT
2 DISTRICT" IN SECTION 1711-D OF THE ACT.

3 (IV) THE ADDITION OF SECTION 1712-D(B.1).

4 (V) THE ADDITION OF SECTION 1716.2-D OF THE ACT.

5 (VI) THE DEFINITION OF "QUALIFIED TAX LIABILITY" IN
6 SECTION 1702-G OF THE ACT.

7 (2) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT IN 365
8 DAYS:

9 (I) (RESERVED).

10 (II) THE ADDITION OF SECTION 1904.3-B OF THE ACT.

11 (3) THE AMENDMENT OR ADDITION OF SECTION 401(3)4(C)(1)
12 (A)(VI), (VII) AND (VIII) AND (2)(B)(VII) AND (VIII) OF THE
13 ACT SHALL TAKE EFFECT ON THE DATE OF THE PUBLICATION OF THE
14 NOTICE UNDER SECTION 46 OF THIS ACT.

15 (4) (RESERVED).

16 (5) AS FOLLOWS:

17 (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II),
18 SECTIONS 213.2, 213.4 AND 213.5 OF THE ACT SHALL TAKE
19 EFFECT NOVEMBER 1, 2017.

20 (II) SECTIONS 213.2, 213.4 AND 213.5 OF THE ACT, AS
21 THEY RELATE TO TANGIBLE PERSONAL PROPERTY DESCRIBED IN
22 SECTION 201(M)(2), SHALL TAKE EFFECT NOVEMBER 1, 2018.

23 (5.1) THE ADDITION OF ARTICLE II-C OF THE ACT SHALL TAKE
24 EFFECT NOVEMBER 1, 2017, OR IMMEDIATELY, WHICHEVER IS LATER.

25 (6) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT
26 IMMEDIATELY:

27 (I) THIS SECTION.

28 (II) THE REMAINDER OF THIS ACT.