
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2156 Session of
2018

INTRODUCED BY TOBASH, MULLERY, ROEBUCK, QUIGLEY, RYAN, PICKETT,
THOMAS, DAVIS, HICKERNELL, READSHAW, BOBACK, A. DAVIS,
CHARLTON, SCHLOSSBERG, BERNSTINE, FEE, LEWIS, MCGINNIS,
STAATS, IRVIN, SOLOMON, SCHLEGEL CULVER, PHILLIPS-HILL,
PASHINSKI, DERMODY, HEFFLEY, J. McNEILL, DRISCOLL, GROVE,
HANNA, A. HARRIS, MARSICO, REESE, RAPP AND COX, APRIL 6, 2018

REFERRED TO COMMITTEE ON EDUCATION, APRIL 6, 2018

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," providing for Career and Technical
6 Education Partnership Tax Credit Program.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. The act of March 10, 1949 (P.L.30, No.14), known
10 as the Public School Code of 1949, is amended by adding an
11 article to read:

12 ARTICLE XX-H

13 CAREER AND TECHNICAL EDUCATION PARTNERSHIP

14 TAX CREDIT PROGRAM

15 Section 2001-H. Scope of article.

16 This article relates to the Career and Technical Education
17 Partnership Tax Credit Program.

18 Section 2002-H. Definitions.

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

4 "Area career and technical education school." Any of the
5 following:

6 (1) A specialized public secondary school used
7 exclusively or principally for the provision of career and
8 technical education to individuals who are available for
9 study in preparation for entering the labor market.

10 (2) The department of a public secondary school
11 exclusively or principally used for providing career and
12 technical education in not fewer than five different
13 occupational fields to individuals who are available for
14 study in preparation for entering the labor market.

15 (3) A public or nonprofit technical institution or
16 career and technical education school used exclusively or
17 principally for the provision of career and technical
18 education to individuals who have completed or left secondary
19 school and who are available for study in preparation for
20 entering the labor market, if the institution or school
21 admits, as regular students, individuals who have completed
22 secondary school and individuals who have left secondary
23 school.

24 (4) The department or division of an institution of
25 higher education that operates under the policies of the
26 eligible agency and that provides career and technical
27 education in not fewer than five different occupational
28 fields leading to immediate employment but not necessarily
29 leading to a baccalaureate degree, if the department or
30 division admits, as regular students, individuals who have

1 completed secondary school and individuals who have left
2 secondary school.

3 "Business firm." An entity which is authorized to do
4 business in this Commonwealth and subject to taxes imposed by
5 Article III, IV, VI, VII, VIII, IX, XV or XX of the Tax Reform
6 Code of 1971 or a tax under Article XVI of the act of May 17,
7 1921 (P.L.682, No.284), known as The Insurance Company Law of
8 1921. The term includes a pass-through entity, including a pass-
9 through entity whose purpose is the making of contributions
10 under this article and whose shareholders, partners or members
11 are composed of owners or employees of other business firms.

12 "Career and technical education." Organized educational
13 activities which meet all of the following:

14 (1) Offer a sequence of courses that:

15 (i) provides individuals with coherent and rigorous
16 content aligned with challenging academic standards and
17 relevant technical knowledge and skills needed to prepare
18 for further education and careers in current or emerging
19 professions;

20 (ii) provides technical skill proficiency, an
21 industry-recognized credential, a certificate or an
22 associate degree; and

23 (iii) may include prerequisite courses, other than a
24 remedial course, that meet the requirements of this
25 paragraph.

26 (2) Include competency-based applied learning that
27 contributes to the academic knowledge, higher-order reasoning
28 and problem-solving skills, work attitudes, general
29 employability skills, technical skills, occupation-specific
30 skills and knowledge of all aspects of an industry, including

1 entrepreneurship, and an individual.

2 "Career and technical partnership organization." A nonprofit
3 entity which meets all of the following:

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

7 (2) Contributes based on one of the following:

8 (i) At least 80% of its annual receipts as
9 contributions to a public school, area career and
10 technical education school, charter school, regional
11 charter school, cyber charter school or an institution of
12 higher education. For purposes of this subparagraph, a
13 nonprofit entity "contributes" its annual cash receipts
14 when it expends or otherwise irrevocably encumbers those
15 funds for expenditure during the then-current fiscal year
16 of the nonprofit entity or during the next succeeding
17 fiscal year of the nonprofit entity. A nonprofit entity
18 shall include a school district foundation, public school
19 foundation, charter school foundation, cyber charter
20 school foundation, area career and technical education
21 school foundation or institution of higher education.

22 (ii) At least 80% of its annual cash receipts to a
23 scholarship program. For purposes of this subparagraph, a
24 nonprofit entity "contributes" its annual cash receipts
25 to a scholarship program when it expends or otherwise
26 irrevocably encumbers those funds for distribution during
27 the then-current fiscal year of the nonprofit entity or
28 during the next succeeding fiscal year of the nonprofit
29 entity.

30 (iii) At least 80% of its annual cash receipts to a

1 combination of expenditures under subparagraphs (i) and
2 (ii).

3 "Charter school." As defined in section 1703-A.

4 "Contribution." The donation of any of the following:

5 (1) Cash or personal property.

6 (2) Services, the value of which is the net cost of the
7 donation to the donor or the pro rata hourly wage, including
8 benefits, of the individual performing the service.

9 "Cyber charter school." As defined in section 1703-A.

10 "Department." The Department of Community and Economic
11 Development of the Commonwealth.

12 "Dual enrollment program." A program which provides an
13 eligible student with college credits while fulfilling high
14 school requirements at the same time.

15 "Eligible student." A student who:

16 (1) is 22 years of age or younger;

17 (2) is enrolled in a school, area career and technical
18 education school, charter school, regional charter school,
19 cyber charter school or institution of higher education; and

20 (3) has enrolled in at least two career and technical
21 education courses.

22 "Institution of higher education." An accredited entity
23 located in this Commonwealth which is any of the following:

24 (1) A community college operating under Article XIX-A.

25 (2) A university within the State System of Higher
26 Education.

27 (3) The Pennsylvania State University, the University of
28 Pittsburgh, Temple University, Lincoln University or any
29 other institution designated as State-related by the
30 Commonwealth.

1 (4) The Thaddeus Stevens College of Technology.

2 (5) A college established under Article XIX-G.

3 (6) An institution of higher education located in and
4 incorporated or chartered by the Commonwealth and entitled to
5 confer degrees as specified in 24 Pa.C.S. § 6505 (relating to
6 power to confer degrees) and as provided for by the standards
7 and qualifications prescribed by the State Board of Education
8 under 24 Pa.C.S. Ch. 65 (relating to private colleges,
9 universities and seminaries).

10 (7) A private school licensed under the act of December
11 15, 1986 (P.L.1585, No.174), known as the Private Licensed
12 Schools Act.

13 (8) A foreign corporation approved to operate an
14 educational enterprise under 22 Pa. Code Ch. 36 (relating to
15 foreign corporation standards).

16 "Nonpublic school." A nonprofit school, other than a public
17 school within this Commonwealth, at which a resident of this
18 Commonwealth may legally fulfill the compulsory school
19 attendance requirements of this act and which meets the
20 applicable requirements of Title VI of the Civil Rights Act of
21 1964 (Public Law 88-352, 78 Stat. 241).

22 "Parent." An individual who:

23 (1) is a resident of this Commonwealth; and

24 (2) either:

25 (i) has legal custody or guardianship of a student;

26 or

27 (ii) keeps in the individual's home a student and
28 supports the student gratis as if the student were a
29 lineal descendant of the individual.

30 "Pass-through entity." A partnership as defined in section

1 301(n.0) of the Tax Reform Code of 1971, a single-member limited
2 liability company treated as a disregarded entity for Federal
3 income tax purposes or a Pennsylvania S corporation as defined
4 in section 301(n.1) of the Tax Reform Code of 1971. The term
5 includes a pass-through entity that owns an interest in a pass-
6 through entity.

7 "Program." The Career and Technical Education Partnership
8 Tax Credit Program established under this article.

9 "Public school." A public elementary school or a public
10 secondary school at which a resident of this Commonwealth may
11 legally fulfill the compulsory school attendance requirements of
12 this act and which meets the applicable requirements of Title VI
13 of the Civil Rights Act of 1964.

14 "Recipient." An applicant who receives a scholarship.

15 "Regional charter school." As defined in section 1703-A.

16 "Scholarship." An award under a scholarship program.

17 "Scholarship program." A program to pay school-related fees
18 for eligible students to attend a school, area career and
19 technical education school, charter school, regional charter
20 school, cyber charter school or institution of higher education
21 located in this Commonwealth. The following shall apply:

22 (1) A scholarship program must include an application
23 and review process for the purpose of making awards to
24 eligible students.

25 (2) Scholarships to eligible students shall be made
26 without limiting availability to only students of one school,
27 area career and technical education school, charter school,
28 regional charter school, cyber charter school or institution
29 of higher education.

30 "School." A public or nonpublic secondary school at which a

1 resident of this Commonwealth may legally fulfill the compulsory
2 school attendance requirements of this act and which meets the
3 applicable requirements of Title VI of the Civil Rights Act of
4 1964.

5 "School-related fees." Tuition and fees normally assessed a
6 student carrying an academic or certification workload as
7 determined by the school, area career and technical education
8 school, charter school, regional charter school, cyber charter
9 school or institution of higher education and including costs
10 for rental or purchase of equipment, materials or supplies
11 required of all students in that course of study.

12 "Secondary school." A school with an eleventh grade.

13 "Student." An individual who meets all of the following:

14 (1) Is registered for grades nine through 12.

15 (2) Is a resident of this Commonwealth.

16 (3) Attends or is about to attend a public school, area
17 career and technical education school, charter school,
18 regional charter school, cyber charter school or institution
19 of higher education.

20 "Tax Reform Code of 1971." The act of March 4, 1971 (P.L.6,
21 No.2), known as the Tax Reform Code of 1971.

22 Section 2003-H. Qualification and application by organizations.

23 (a) Establishment.--In accordance with section 14 of Article
24 III of the Constitution of Pennsylvania, the Career and
25 Technical Education Partnership Tax Credit Program is
26 established to expand access to high-career and technical
27 education by encouraging private investment in education, career
28 and technical education programs and the repair, upkeep,
29 replacement and upgrading of industry-grade materials and
30 instructional equipment.

1 (b) Information.--To qualify under this article, a career
2 and technical partnership organization must submit information
3 to the department that enables the department to confirm that
4 the organization is exempt from taxation under section 501(c)(3)
5 of the Internal Revenue Code of 1986 (Public Law 99-514, 26
6 U.S.C. § 1 et seq.).

7 (c) Certification.--

8 (1) By September 1, 2019, and each September 1
9 thereafter, a career and technical partnership organization
10 must certify to the department that the organization is
11 eligible to participate in the program and must report the
12 following information to the department:

13 (i) The number of scholarships awarded during the
14 immediately preceding school year to eligible students.

15 (ii) The total and average amounts of the
16 scholarships awarded during the immediately preceding
17 school year to eligible students.

18 (iii) Where the career and technical partnership
19 organization collects information on a county-by-county
20 basis, the total number and the total amount of
21 scholarships awarded during the immediately preceding
22 school year to residents of each county in which the
23 scholarships were awarded.

24 (iv) The total number of scholarship applications
25 processed and the amounts of any application fees
26 charged, either per scholarship application or in the
27 aggregate through a third-party processor.

28 (v) The name of any career and technical education
29 program and the total amount of the contribution made to
30 those programs during the immediately preceding school

1 year.

2 (vi) A description of how each contribution was
3 utilized during the immediately preceding school year and
4 a description of vocational and technical education
5 programs through a coherent sequence of courses to ensure
6 learning in career and technical education and entry into
7 a high-demand occupation.

8 (vii) The name of each school, area career and
9 technical education school, charter school, regional
10 charter school, cyber charter school or institution of
11 higher education that works with high technology
12 industries to offer voluntary internships and mentoring
13 programs.

14 (viii) The name of each school, area career and
15 technical education school, charter school, regional
16 charter school, cyber charter school or institution of
17 higher education where career and technical programs that
18 received contributions during the immediately preceding
19 school year were implemented.

20 (ix) Where the career and technical partnership
21 organization collects information on a county-by-county
22 basis, the total number and the total amount of
23 contributions made during the immediately preceding
24 school year for programs at schools, institutions of
25 higher education and career and technical schools in each
26 county in which the contributions were made.

27 (x) The organization's Federal Form 990 or other
28 Federal form indicating the tax status of the
29 organization for Federal tax purposes, if any, and a copy
30 of a compilation, review or audit of the organization's

1 financial statements conducted by a certified public
2 accounting firm.

3 (2) The information required under paragraph (1) shall
4 be submitted on a form provided by the department. By
5 September 1, 2019, and each September 1 thereafter, the
6 department shall distribute sample forms, together with the
7 forms on which the reports are required to be made, to each
8 listed career and technical partnership organization.

9 (3) The department may not require any other information
10 to be provided by career and technical partnership
11 organizations, except as expressly authorized in this
12 article.

13 (4) The department shall consult with the Department of
14 Education and the Department of Labor and Industry.

15 (5) A career and technical partnership organization that
16 does not meet the requirements of this article shall not be
17 eligible to participate in the program.

18 Section 2004-H. Application by business firms.

19 (a) Application.--A business firm may apply to the
20 department for a tax credit for contributions to a career and
21 technical partnership organization under section 2005-H. A
22 business firm shall receive a tax credit under this article if
23 the career and technical partnership organization that receives
24 the contribution appears on the list established under section
25 2007-H, subject to the limitations in sections 2005-H and 2006-
26 H.

27 (b) Availability of tax credits.--Tax credits under this
28 article shall be made available by the department on a first-
29 come, first-served basis within the limitation established under
30 section 2006-H(a).

1 (c) Contributions.--A contribution by a business firm to a
2 career and technical partnership organization shall be made no
3 later than 60 days following the approval of an application
4 under subsection (a) or (b).

5 Section 2005-H. Tax credits.

6 (a) Business firm.--In accordance with section 2006-H, the
7 Department of Revenue shall grant a tax credit against any
8 applicable tax to a business firm providing proof of a
9 contribution to a career and technical partnership organization
10 in the taxable year in which the contribution is made in
11 accordance with the following:

12 (1) The tax credit shall not exceed 75% of the total
13 amount contributed during the taxable year by the business
14 firm.

15 (2) Except as provided under subsection (g), for fiscal
16 year 2018-2019, and each fiscal year thereafter, the tax
17 credit shall not exceed \$750,000 annually per business firm
18 for contributions made to career and technical partnership
19 organizations.

20 (b) Additional amount.--In accordance with section 2006-H,
21 the Department of Revenue shall grant a tax credit of up to 90%
22 of the total amount contributed during the taxable year if the
23 business firm provides a written commitment to provide the
24 career and technical partnership organization with the same
25 amount of contribution for two consecutive tax years. The
26 business firm must provide the written commitment under this
27 subsection to the department at the time of application.

28 (c) Restriction on applicability of credits.--No credits
29 granted under this section shall be applied against tax withheld
30 by an employer from an employee under Article III of the Tax

1 Reform Code of 1971.

2 (d) Time of application for credits.--

3 (1) Except as provided in paragraph (2), the department
4 may accept applications for tax credits available during a
5 fiscal year no earlier than July 1 of each fiscal year.

6 (2) The application of a business firm for tax credits
7 available during a fiscal year as part of the second year of
8 a two-year commitment or as a renewal of a two-year
9 commitment which was fulfilled in the previous fiscal year
10 may be accepted no earlier than May 15 preceding the fiscal
11 year.

12 (e) Approval of tax credits.--Unless otherwise requested by
13 the business firm and agreed to by both the business firm and
14 the department, and unless all authorized credits have already
15 been awarded, for fiscal year 2019-2020, and each fiscal year
16 thereafter, the department shall give written notice of its
17 approval to each business firm that submitted a completed
18 application under subsection (d) within 30 days following
19 receipt of the completed application.

20 (f) Waiting list.--The department shall maintain a waiting
21 list consisting of each business firm which chooses to be
22 included on the list and whose application has not been approved
23 because all available tax credits have been awarded. A business
24 firm that was not awarded a tax credit due to a lack of
25 available tax credits shall be notified of and offered a place
26 on the waiting list. When tax credits become available, the
27 department shall award the tax credits to the business firms in
28 the order in which the business firms were placed on the waiting
29 list.

30 (g) Temporary increase in maximum tax credits available.--

1 (1) If all tax credits authorized under this article for
2 contributions to career and technical partnership
3 organizations have not been awarded as of October 1 of a
4 fiscal year, then for applications accepted by the department
5 from October 1 through November 30 of that fiscal year, the
6 limitations specified in subsection (a) shall not apply.
7 Under this paragraph, the department may accept applications
8 under section 2004-H from October 1 through November 30 from
9 a business firm, including a business firm that already
10 applied for the maximum tax credits available under
11 subsections (a) and (d), which may apply under section 2004-
12 H(a) for up to the total amount of tax credits remaining
13 available for contributions to career and technical
14 partnership organizations for the fiscal year as specified in
15 section 2006-H(a).

16 (2) The provisions of subsection (b) shall not apply to
17 applications for tax credits made under this subsection. Tax
18 credits awarded under this subsection shall not exceed 75% of
19 the total amount contributed during the taxable year by a
20 business firm pursuant to an application filed under this
21 subsection.

22 (3) Prior to the award of tax credits applied for under
23 this subsection, the department shall first award tax credits
24 applied for by a business firm during the period October 1
25 through November 30 in an amount no greater than the maximum
26 amount of tax credits for which a business firm is eligible
27 under subsection (a). The tax credits shall be awarded on a
28 first-come, first-served basis as set forth in section 2004-
29 H(c).

30 Section 2006-H. Limitations.

1 (a) Amount.--

2 (1) The total aggregate amount of all tax credits
3 approved for contributions from business firms to career and
4 technical partnership organizations shall not exceed
5 \$15,000,000 in a fiscal year.

6 (2) Beginning July 1, 2019, the department shall
7 automatically increase the tax credit amount by \$5,000,000 if
8 the amount used in the prior fiscal year is equal to or
9 greater than 90% of the tax credit amount under paragraph
10 (1). The department shall immediately submit notice of the
11 increased dollar amounts to the Legislative Reference Bureau,
12 which shall publish the notice in the Pennsylvania Bulletin.

13 (b) Activities.--No tax credit shall be approved for
14 activities that are a part of a business firm's normal course of
15 business.

16 (c) Tax liability.--

17 (1) Except as provided in paragraph (2), a tax credit
18 granted for any one taxable year may not exceed the tax
19 liability of a business firm.

20 (2) In the case of a credit granted to a pass-through
21 entity which elects to distribute the credit under this
22 article, a tax credit granted for any one taxable year and
23 distributed to a shareholder, member or partner may not
24 exceed the tax liability of the shareholder, member or
25 partner.

26 (d) Use.--A tax credit not used by the applicant in the
27 taxable year the contribution was made or in the year designated
28 by the shareholder, member or partner to whom the credit was
29 transferred under this article may not be carried forward or
30 carried back and is not refundable or transferable.

1 (e) Nontaxable income.--A scholarship received by an
2 eligible student shall not be considered to be taxable income
3 for the purposes of Article III of the Tax Reform Code of 1971.

4 (f) Financial assistance.--A scholarship received by a
5 recipient shall not impact an appropriation, education funding
6 or other financial assistance received by the school which is
7 attended by the recipient.

8 Section 2007-H. Lists.

9 By June 30, 2019, and each June 30 thereafter, the Department
10 of Revenue shall provide a list of all career and technical
11 partnership organizations receiving contributions from business
12 firms granted a tax credit under this article to the General
13 Assembly.

14 Section 2008-H. Guidelines.

15 Within 90 days of the effective date of this section, in
16 consultation with the Department of Education and the Department
17 of Labor and Industry, the department shall develop guidelines
18 to determine the eligibility of a career and technical education
19 program.

20 Section 2009-H. School participation in program.

21 (a) Election.--By February 15, 2019, and each February 15
22 thereafter, a school, area career and technical education
23 school, charter school, regional charter school, cyber charter
24 school or institution of higher education may elect to
25 participate in the program for the following school year.

26 (b) Notice.--

27 (1) A school, area career and technical education
28 school, charter school, regional charter school, cyber
29 charter school or institution of higher education that elects
30 to participate under subsection (a) must notify the

1 Department of Education of the intent to participate.

2 (2) For a school district, the notice under paragraph
3 (1) must be submitted on a form developed by the Department
4 of Education and shall specify all of the following:

5 (i) Each school within the school district which the
6 school district intends to make a participating public
7 school.

8 (ii) The amount of tuition and school-related fees
9 attributable to each available seat. The amount under
10 this subparagraph shall not exceed the amount calculated
11 under section 2561.

12 (3) For a nonpublic school, area career and technical
13 education school, charter school, regional charter school,
14 cyber charter school or institution of higher education, the
15 notice under paragraph (1) must be submitted on a form
16 developed by the Department of Education and shall specify
17 the amount of tuition and school-related fees attributable to
18 an available seat. The amount under this paragraph shall not
19 exceed the amount calculated under section 2561.

20 (c) Tuition rates.--

21 (1) No school district of a participating public school,
22 participating nonpublic school, area career and technical
23 education school, charter school, regional charter school,
24 cyber charter school or institution of higher education may
25 charge a recipient a higher tuition rate or school-related
26 fee than the school district of the participating public
27 school, participating nonpublic school, area career and
28 technical education school, charter school, regional charter
29 school, cyber charter school or institution of higher
30 education would have charged to a similarly situated student

1 who is not receiving a scholarship.

2 (2) Notwithstanding the provisions of section 2561, a
3 school district of a participating public school may charge a
4 recipient a tuition rate that is lower than that charged to
5 students who are not recipients of scholarships.

6 (d) Participating public school criteria.--The following
7 criteria apply to a participating public school:

8 (1) Except as otherwise provided in this article, a
9 school district shall enroll students in a participating
10 public school on a lottery basis from a pool of recipients
11 who meet the application deadline set by the Department of
12 Education until the participating public school fills the
13 school's available seats. The pool may not include a
14 recipient who:

15 (i) Has been expelled or is in the process of being
16 expelled under section 1317.2 or 1318 and applicable
17 regulations of the State Board of Education.

18 (ii) Has been recruited by the school district or
19 its representatives for athletic purposes.

20 (2) The enrollment of recipients may not place the
21 school district in violation of a valid and binding
22 desegregation order.

23 (3) Priority shall be given to:

24 (i) An existing recipient.

25 (ii) A recipient who is a sibling of a student
26 currently enrolled in the school district.

27 (e) Participating entity criteria.--The following criteria
28 shall apply:

29 (1) The participating nonpublic school, area career and
30 technical education school, charter school, regional charter

1 school, cyber charter school or institution of higher
2 education may not discriminate on a basis which is illegal
3 under Federal or State laws applicable to nonpublic schools.

4 (2) The participating nonpublic school, area career and
5 technical education school, charter school, regional charter
6 school, cyber charter school or institution of higher
7 education shall comply with section 1521.

8 (3) The participating nonpublic school, area career and
9 technical education school, charter school, regional charter
10 school, cyber charter school or institution of higher
11 education may not recruit a student for athletic purposes.

12 (f) Student rules, policies and procedures.--

13 (1) Prior to enrollment of a recipient, a school
14 district of a participating public school, participating
15 nonpublic school, participating area career and technical
16 education school, participating charter school, participating
17 regional charter school, participating cyber charter school
18 or participating institution of higher education shall inform
19 the parent of a recipient of each rule, policy and procedure
20 of the participating public school, participating nonpublic
21 school, participating area career and technical education
22 school, participating charter school, participating regional
23 charter school, participating cyber charter school or
24 participating institution of higher education, including any
25 academic policy, disciplinary rule or administrative
26 procedure of the participating public school, participating
27 nonpublic school, participating area career and technical
28 education school, participating charter school, participating
29 regional charter school, participating cyber charter school
30 or participating institution of higher education.

1 (2) Enrollment of a recipient in a participating public
2 school, participating nonpublic school, participating area
3 career and technical education school, participating charter
4 school, participating regional charter school, participating
5 cyber charter school or participating institution of higher
6 education shall constitute acceptance of any rule, policy or
7 procedure of the participating public school, participating
8 nonpublic school, participating area career and technical
9 education school, participating charter school, participating
10 regional charter school, participating cyber charter school
11 or participating institution of higher education.

12 (g) Transportation.--

13 (1) Transportation of recipients of school age, as
14 defined in section 2002-B, shall be provided under section
15 1361.

16 (2) Reimbursement shall be as follows:

17 (i) Transportation of a recipient of school age, as
18 defined in section 2002-B, attending a participating
19 public school shall be subject to reimbursement under
20 section 2541.

21 (ii) Transportation of a recipient of school age, as
22 defined in section 2002-B, attending a participating
23 nonpublic school, participating area career and technical
24 education school, participating charter school,
25 participating regional charter school, participating
26 cyber charter school or participating institution of
27 higher education shall be subject to reimbursement under
28 sections 2509.3 and 2541.

29 (h) Construction.--Nothing in this article shall be
30 construed to:

1 (1) Prohibit a participating nonpublic school from
2 limiting admission to a particular grade level, a single
3 gender or areas of concentration of the participating
4 nonpublic school, including mathematics, science and the
5 arts.

6 (2) Authorize the Commonwealth or any of its agencies,
7 officers or political subdivisions to impose additional
8 requirements on a participating nonpublic school which are
9 not otherwise authorized under the laws of this Commonwealth
10 or to require a participating nonpublic school to enroll a
11 recipient if the participating nonpublic school does not
12 offer appropriate programs or is not structured or equipped
13 with the necessary facilities to meet the special needs of
14 the recipient or does not offer a particular program
15 requested.

16 Section 2010-H. Scholarships.

17 (a) Notice.--By February 1, 2019, and each February 1
18 thereafter, the department shall provide all career and
19 technical partnership organizations with a list of each
20 participating public school, area career and technical education
21 school, charter school, regional charter school, cyber charter
22 school or institution of higher education in this Commonwealth
23 located within each county.

24 (b) Award.--

25 (1) A career and technical partnership organization may
26 award a scholarship to an eligible student who plans to
27 enroll in the upcoming school year at a participating public
28 school, area career and technical education school, charter
29 school, regional charter school, cyber charter school or
30 institution of higher education in this Commonwealth

1 providing career and technical education selected by the
2 parent or guardian of the applicant.

3 (2) If an eligible student who received a scholarship
4 for the prior school year resides within the attendance
5 boundary of a participating public school, area career and
6 technical education school, charter school, regional charter
7 school, cyber charter school or institution of higher
8 education in this Commonwealth that was removed from the list
9 provided by the department under subsection (a), the eligible
10 student may receive a scholarship.

11 (3) The scholarship may be for each year of enrollment
12 in a participating public school, area career and technical
13 education school, charter school, regional charter school,
14 cyber charter school or institution of higher education for
15 up to five years or until the eligible student reaches 23
16 years of age, whichever occurs first, if the applicant
17 otherwise remains eligible.

18 (4) In awarding scholarships, a career and technical
19 partnership organization shall give preference to any of the
20 following:

21 (i) An eligible student who received a scholarship
22 for the prior school year.

23 (ii) An eligible student who would like to enroll in
24 a participating public school, area career and technical
25 education school, charter school, regional charter school
26 or cyber charter school with a waiting list.

27 (iii) An eligible student participating in dual
28 enrollment programs that meet the requirements of the
29 law.

30 (iv) An eligible student enrolled in courses that

1 will result in employment in a high-demand occupation.

2 (c) Home schooling.--A career and technical partnership
3 organization shall not award a scholarship to an applicant for
4 enrollment in a home education program under section 1327.1.

5 Section 2011-H. Carryover, carryback, refund and assignment.

6 (a) Carryover.--If a taxpayer cannot use the entire amount
7 of the tax credit for the taxable year in which the taxpayer is
8 eligible for the credit, the excess may be carried over to
9 succeeding taxable years and used as a credit against the
10 taxpayer's tax liability for those taxable years. Each time that
11 the tax credit is carried over to a succeeding taxable year it
12 shall be reduced by the amount of tax credits claimed during the
13 immediately preceding taxable year. The tax credits awarded
14 under this act may not be utilized for tax years beginning after
15 December 31, 2020.

16 (b) Carryback or refund.--A taxpayer may not be entitled to
17 carry back or obtain a refund of an unused tax credit.

18 (c) Sale or assignment.--A taxpayer, upon application to and
19 approval by the Department of Revenue, may sell or assign, in
20 whole or in part, a tax credit granted to the taxpayer under
21 this article if the taxpayer does not have a tax liability
22 against which the tax credit may be applied in a taxable year in
23 which the tax credit is permitted to be claimed. The Department
24 of Revenue shall establish guidelines for the approval of an
25 application under this subsection. Before an application is
26 approved, the Department of Revenue shall make a finding that
27 the taxpayer and its assignee have filed the required State tax
28 reports and returns for the taxable years and paid any balance
29 of State tax due as determined by the Department of Revenue.

30 (d) Purchaser and assignee.--The purchaser or assignee of a

1 tax credit under subsection (c) shall immediately claim the
2 credit against its tax liability in the taxable year in which
3 the purchase or assignment is made. The purchaser or assignee
4 may not carry back, carry forward or obtain a refund of or sell
5 or assign the tax credit. The purchaser or assignee shall notify
6 the Department of Revenue of the seller or assignor of the tax
7 credit in compliance with procedures specified by the Department
8 of Revenue.

9 Section 2012-H. Original jurisdiction.

10 The Pennsylvania Supreme Court shall have exclusive and
11 original jurisdiction to hear a challenge or to render a
12 declaratory judgment concerning the constitutionality of this
13 article. The Pennsylvania Supreme Court may take an action as
14 the court deems appropriate, consistent with the Pennsylvania
15 Supreme Court's retaining jurisdiction over the matter, to find
16 facts or to expedite a final judgment in connection with a
17 challenge or request for declaratory relief.

18 Section 2013-H. Annual report to General Assembly.

19 (a) Submittal.--

20 (1) No later than June 1, 2019, and September 1 of each
21 year thereafter, the Secretary of Community and Economic
22 Development shall submit a report to the General Assembly
23 summarizing the effectiveness of the tax credits provided by
24 this article.

25 (2) The report shall be submitted to all of the
26 following:

27 (i) The chairperson and minority chairperson of the
28 Appropriations Committee of the Senate.

29 (ii) The chairperson and minority chairperson of the
30 Education Committee of the Senate.

1 (iii) The chairperson and minority chairperson of
2 the Appropriations Committee of the House of
3 Representatives.

4 (iv) The chairperson and minority chairperson of the
5 Education Committee of the House of Representatives.

6 (b) Contents.--The report shall include the following
7 information:

8 (1) The amount of tax credits claimed for contributions
9 to a career and technical partnership organization during the
10 fiscal year.

11 (2) A funding evaluation of the program and
12 recommendations.

13 Section 2. Within 10 days of the development of the
14 guidelines under section 2008-H of the act, the Department of
15 Community and Economic Development shall provide notice of the
16 development of the guidelines to the Legislative Reference
17 Bureau, which shall publish the notice in the Pennsylvania
18 Bulletin.

19 Section 3. The addition of Article XX-H of the act shall
20 apply to taxable years commencing after December 31, 2018.

21 Section 4. This act shall take effect as follows:

22 (1) The following shall take effect immediately:

23 (i) This section.

24 (ii) Section 2 of this act.

25 (iii) Section 3 of this act.

26 (iv) The addition of sections 2001-H, 2002-H and
27 2008-H of the act.

28 (2) The remainder of this act shall take effect 30 days
29 after publication in the Pennsylvania Bulletin of the notice
30 under section 2 of this act.