
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1876 Session of
2015

INTRODUCED BY SANTORA, MILLARD, BAKER, TAYLOR, BOYLE, BLOOM,
DRISCOLL, WARD, KAUFFMAN, ROTHMAN, TRUITT, KILLION, QUIGLEY,
BARRAR, READSHAW, WATSON, MARSICO, HICKERNELL, GROVE, SAYLOR,
PETRI, A. HARRIS, MAJOR, LAWRENCE, MOUL AND GILLEN,
FEBRUARY 29, 2016

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 29, 2016

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," in educational tax credits, further providing for
11 tax credits and for limitations.

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

14 Section 1. The General Assembly finds and declares as
15 follows:

16 (1) The educational tax credits authorized under Article
17 XVII-F provide critical education funding that allows parents
18 to choose the school that best meets the needs of their child
19 and supports innovative educational programs.

20 (2) As permanent statutory tax credit programs, no
21 annual appropriation or reauthorization is necessary for the

1 programs to continue to operate, even amid a budget impasse.

2 (3) Because of the structure of the application and
3 approval process, the orderly operation of the programs is
4 necessary to ensure that funding for the programs is
5 available at the beginning of the school year and the
6 contributions from business firms that fund the programs can
7 be made during the correct taxable year.

8 (4) The confidence of the contributing business firms in
9 the programs is necessary to ensure continued participation.

10 (5) Inconsistent operation of the programs during a
11 budget impasse goes against the intent of the General
12 Assembly and poses a risk to the continued vitality of the
13 programs.

14 (6) No provision of Article XVII-F permits the
15 Department of Community and Economic Development to withhold
16 award letters pending the enactment of a final budget.

17 (7) The General Assembly reaffirms that the programs
18 authorized under Article XVII-F are intended to not be halted
19 during a budget impasse.

20 Section 2. Sections 1705-F and 1706-F of the act of March 4,
21 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, are
22 amended by adding subsections to read:

23 Section 1705-F. Tax credits.

24 * * *

25 (g.1) Approval of tax credits.--Unless otherwise requested
26 by the business firm and agreed to by both the business firm and
27 the department, and unless all authorized credits have already
28 been awarded:

29 (1) For fiscal year 2015-2016, no later than 10 days
30 after the effective date of this subsection, the department

1 shall give written notice of its approval to each business
2 firm that submitted a completed application under subsection
3 (g).

4 (2) For fiscal years 2016-2017, and each fiscal year
5 thereafter, the department shall give written notice of its
6 approval to each business firm that submitted a completed
7 application under subsection (g) by August 15, or 30 days
8 following receipt of the completed application, whichever is
9 later.

10 (3) For fiscal years 2015-2016, and each fiscal year
11 thereafter, the department shall give written notice of its
12 approval to each business firm that submitted a completed
13 application under subsection (j) (2) within 30 days following
14 receipt of the completed application.

15 * * *

16 Section 1706-F. Limitations.

17 * * *

18 (d.1) Fiscal year 2015-2016.--Tax credits awarded in fiscal
19 year 2015-2016 to a business firm making an approved
20 contribution to a scholarship organization, pre-kindergarten
21 scholarship organization, opportunity scholarship organization
22 or educational improvement organization may be used in the
23 taxable year in which a completed application was submitted by
24 the business firm or the taxable year in which the contribution
25 was made by the business firm, as determined by the business
26 firm.

27 * * *

28 Section 3. This act shall take effect immediately.