

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2841 Session of  
2006

INTRODUCED BY GEORGE, BELFANTI, CURRY, GRUCELA, JAMES, LEACH,  
MUNDY, PALLONE, PETRARCA, SHANER, SURRA, TANGRETTI AND  
YUDICHAK, JUNE 26, 2006

REFERRED TO COMMITTEE ON FINANCE, JUNE 26, 2006

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," providing for a weatherization tax credit.

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

13 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as  
14 the Tax Reform Code of 1971, is amended by adding an article to  
15 read:

16 ARTICLE XVII-D

17 WEATHERIZATION TAX CREDIT

18 Section 1701-D. Short title.

19 This article shall be known and may be cited as the  
20 Weatherization Tax Credit Act.

21 Section 1702-D. 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 Revenue of the Commonwealth.

"Low-Income Home Energy Assistance Program." A federally funded program that provides financial assistance in the form of cash and crisis grants to low-income households for home energy bills and is administered by the Department of Public Welfare.

"Public utility." Any business whose rates are regulated by the Pennsylvania Public Utility Commission and subject to taxes imposed by Article IV, VI, VII, VII-A, VIII, VIII-A, IX, X or XV.

"Qualified donation." A donation to a nonprofit entity incorporated or registered in this Commonwealth to help provide weatherization assistance to families who fall within the Federal guidelines for the Low-Income Home Energy Assistance Program (LIHEAP) assistance as established in the Low-Income Home Energy Assistance Act of 1981 (Public Law 97-35, 42 U.S.C. § 8621 et seq.). Contributions that are required pursuant to a Pennsylvania Public Utility Commission order or other settlement agreement shall not be considered qualified donations.

Section 1703-D. Weatherization assistance tax credit.

Any public utility shall be eligible under Articles III, IV and VI for a weatherization assistance tax credit equal to 50% of any qualified donations greater than those made by the qualified public utility in the previous fiscal year. The total amount of all weatherization assistance tax credits allowed under this article shall not exceed \$5,000,000 in any one fiscal year.

Section 1704-D. Carryover.

1 If the public utility cannot use the entire amount of the  
2 weatherization tax credit for the taxable year in which the tax  
3 credit is first approved, then the excess may be carried over to  
4 succeeding taxable years and used as a credit against the  
5 qualified tax liability of the taxpayer for those taxable years.  
6 Each time that the weatherization tax credit is carried over to  
7 a succeeding taxable year, it shall be reduced by the amount  
8 that was used as a credit during the immediately preceding  
9 taxable year. The weatherization tax credit provided by this  
10 article may be carried over and applied to succeeding taxable  
11 years for no more than five taxable years following the first  
12 taxable year for which the taxpayer was entitled to claim the  
13 credit.

14 Section 1705-D. Regulations.

15 The department shall promulgate regulations necessary for the  
16 implementation and administration of this article.

17 Section 1706-D. Report to General Assembly.

18 The department shall submit an annual report to the General  
19 Assembly indicating the effectiveness of the credit provided by  
20 this article no later than March 15 following the year in which  
21 the credits were approved. The report shall include the names of  
22 all taxpayers utilizing the credit as of the date of the report  
23 and the amount of credits approved and utilized by each  
24 taxpayer.

25 Section 1707-D. Transparency.

26 Notwithstanding any law providing for the confidentiality of  
27 tax records, the information contained in the report shall be  
28 public information.

29 Section 1708-D. Termination.

30 The department shall not approve a weatherization tax credit

1 under this article for taxable years ending after December 31,  
2 2014.

3       Section 2. This act shall take effect in 60 days.