
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1767 Session of
1983

INTRODUCED BY WOZNIAK, LINTON, STEWART, FATTAH, LETTERMAN,
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KASUNIC, SEVENTY, DIETZ, STEIGHNER, GRUITZA, WAMBACH, COWELL,
HALUSKA AND DeWEESE, DECEMBER 5, 1983

REFERRED TO COMMITTEE ON BUSINESS AND COMMERCE,
DECEMBER 5, 1983

AN ACT

1 Defining urban investment zones; providing for the designation
2 of such zones; providing exemptions from certain State and
3 local taxes for commercial enterprises conducted within an
4 urban investment zone; providing for grants by the
5 Commonwealth to commercial enterprises for hiring certain
6 persons; and making certain entities liable for the repayment
7 of benefits received.

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

10 Section 1. Short title.

11 This act shall be known and may be cited as the Commercial
12 Urban Investment Zone Act.

13 Section 2. Definitions.

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

17 "Commercial enterprise."

18 (1) An enterprise engaged in the sale of consumer goods

1 to the public or to another for purposes of resale.

2 (2) An enterprise engaged in the sale of services to the
3 public.

4 "Department." The Department of Commerce.

5 "Municipality." A city, borough, incorporated town, township
6 or home rule municipality.

7 "Secretary." The Secretary of Commerce.

8 "Urban investment zone." Any area designated as an
9 "enterprise zone" by the Commonwealth.

10 Section 3. Establishment of urban investment zones.

11 (a) Designation.--Urban investment zones shall be
12 established through designation of an area by the Commonwealth
13 as an "enterprise zone."

14 (b) Duration.--An urban investment zone once having been
15 designated shall remain such a zone for a period of at least ten
16 years from the date of approval by the department after which
17 the department may remove designation of an area as an economic
18 investment zone if it no longer meets the criteria for
19 designation as such a zone.

20 (c) Zoning.--An urban investment zone shall not be
21 established unless residential, commercial and industrial uses
22 are permitted under applicable municipal zoning ordinances.

23 Section 4. Exemption from State taxation.

24 (a) Tax credit.--Any commercial enterprise which locates a
25 place of business within the boundaries of an urban investment
26 zone after its designation as such shall receive a tax credit
27 against any tax due under section 402 of the act of March 4,
28 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,
29 attributable to income earned by the operations of such
30 commercial enterprise computed as follows:

1 (1) Against income earned during the first full calendar
2 year of operations - 100% credit.

3 (2) Against income earned during the second calendar
4 year of operations - 80% credit.

5 (3) Against income earned during the third calendar year
6 of operations - 60% credit.

7 (4) Against income earned during the fourth calendar
8 year of operations - 40% credit.

9 (5) Against income earned during the fifth calendar year
10 of operations - 20% credit.

11 (6) Against income earned during the sixth calendar year
12 of operations - 0 credit.

13 (b) Grants for hiring.--A commercial enterprise which hires
14 a person who, prior to the time of hiring, was receiving
15 benefits under either the act of December 5, 1936 (2nd Sp.Sess.,
16 1937 P.L.2897, No.1), known as the Unemployment Compensation
17 Law, or the act of June 13, 1967 (P.L.31, No.21), known as the
18 Public Welfare Code, shall be eligible to receive upon the first
19 anniversary of the hiring of the employee a one-time grant of
20 \$500 from the Commonwealth.

21 Section 5. Exemption from property taxes.

22 (a) Location of business.--A commercial enterprise which
23 locates a place of business within the boundaries of an urban
24 investment zone after its designation as such shall receive an
25 exemption from all taxes levied by a county, city, borough,
26 township and school district on the assessed value of real
27 property computed as follows:

28 (1) Against real property taxes levied during the first
29 full calendar year or fiscal year following location of the
30 enterprise within an urban investment zone - 100% exemption.

1 (2) Against real property taxes levied during the second
2 calendar year or fiscal year following location of the
3 enterprise within an urban investment zone - 80% exemption.

4 (3) Against real property taxes levied during the third
5 calendar year or fiscal year following location of the
6 enterprise within an urban investment zone - 60% exemption.

7 (4) Against real property taxes levied during the fourth
8 calendar year or fiscal year following location of the
9 enterprise within an urban investment zone - 40% exemption.

10 (5) Against real property taxes levied during the fifth
11 calendar year or fiscal year following location of the
12 enterprise within an urban investment zone - 20% exemption.

13 (6) Against real property taxes levied during the sixth
14 calendar year or fiscal year following location of the
15 enterprise within an urban investment zone - 0 exemption.

16 (b) Reimbursement of local taxing authorities.--The
17 Department of Revenue shall reimburse local taxing authorities
18 for revenue losses occasioned by the exemptions provided in
19 subsection (a) from funds appropriated for such purpose by the
20 General Assembly or from moneys in the General Fund which are
21 available and may lawfully be used for such purpose. The
22 Department of Revenue may adopt or establish regulations,
23 procedures and forms to carry out the provisions of this
24 section.

25 Section 6. Priority for loans.

26 Any commercial enterprise which proposes to locate within the
27 boundaries of an urban investment zone or which is located
28 within an urban investment zone shall be entitled to receive
29 priority handling of any loan application made under the act of
30 May 17, 1956 (1955 P.L.1609, No.537), known as the Pennsylvania

1 Industrial Development Authority Act.

2 Section 7. Liability of commercial enterprise.

3 (a) Forfeiture of benefits.--If a commercial enterprise
4 which locates a place of business within an urban investment
5 zone and which receives benefits under this act fails to
6 continue its operations within the urban investment zone for at
7 least 15 years following the receipt of initial benefits under
8 this act it shall be liable to the Commonwealth in a sum equal
9 to the total of benefits it received. The Commonwealth may
10 recover any amount due it in an action of assumpsit or in any
11 manner provided by law for the collection of delinquent taxes.

12 (b) Exception.--Subsection (a) shall not apply in the event
13 operations are terminated on account of insolvency or conditions
14 beyond the control of the commercial enterprise.

15 Section 8. Effective date.

16 This act shall take effect in 60 days.