THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 407 Session of 1991

INTRODUCED BY REINARD, TRELLO, HALUSKA, MELIO, PESCI, STABACK, FARMER, MARSICO, KENNEY, CIVERA, COLAIZZO, JOHNSON, COY, G. SNYDER, SCHULER, NOYE, WOZNIAK, FLEAGLE, CLYMER, BUNT, HERMAN, ULIANA, LEE, GEIST, M. N. WRIGHT, FAJT, BILLOW, COLAFELLA, HAGARTY, SURRA, LAUGHLIN, CORRIGAN, RAYMOND, MICOZZIE, E. Z. TAYLOR, MERRY, NAHILL, SERAFINI, CARLSON, TELEK, FLICK, ARMSTRONG, OLASZ, DeLUCA, SEMMEL, KING AND FOX, FEBRUARY 12, 1991

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 12, 1991

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 credit against the corporate net
11   income tax.

12   The General Assembly of the Commonwealth of Pennsylvania

13 hereby enacts as follows:

14   Section 1. The act of March 4, 1971 (P.L.6, No.2), known as

15 the Tax Reform Code of 1971, is amended by adding a section to

16 read:

17   Section 402.1. Credit Against Tax.--(a) For the purposes of

18 this section, "new electronic data processing equipment" means

19 an information system that:

1 (1) Stores, manipulates, retrieves, displays and prints the

2 data that has been electronically inputted.

3 (2) Was purchased, installed and made operational by the

4 corporation in the tax year for which the tax credit provided by

5 this section is claimed.

6 (3) Has never been purchased or put in use before by the

7 purchasing corporation, or any other corporation or individual.

8 (4) Was donated in that year for instructional use to a

9 public primary or secondary school, or private primary or

10 secondary school located in this Commonwealth.

11 (b) A corporation shall be allowed a credit, to be computed

12 as provided in this section, against the tax liability due and

13 owing in a tax year pursuant to this article. The credit shall

14 be equal to fifty per cent of the cost of a new electronic data

15 processing system. To the extent that the credit exceeds twenty-

16 five per cent of the taxpayer's tax liability otherwise due and

17 owing pursuant to this article, the excess shall be unused in

18 that tax year.

19 (c) The credit allowed under subsection (b) remaining unused

20 may be carried forward to each of the next two tax years as a

21 credit against the tax liability for each of those two years and

22 subject to the limitations of subsection (b).

23 (d) This section shall be applicable to taxable years

24 commencing on and after January 1, 1991.

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