

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 765 Session of
1995

INTRODUCED BY CAPPABIANCA, KUKOVICH, TIGUE, ITKIN, WOZNIAK,
McGEEHAN, HUTCHINSON, COY, STURLA, TRELLO, LEVDANSKY,
SCRIMENTI, BEBKO-JONES, TRICH, L. I. COHEN, LAUGHLIN,
CORRIGAN, PRESTON, BROWNE, HANNA, MICHLOVIC, BOSCOLA AND
PETRARCA, FEBRUARY 14, 1995

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 14, 1995

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," further providing for neighborhood assistance tax
11 credits.

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

14 Section 1. Sections 1904-A and 1905-A of the act of March 4,
15 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, added
16 June 16, 1994 (P.L.279, No.48), are amended to read:

17 Section 1904-A. Tax Credit.--(a) Any business firm which
18 engages or contributes to a neighborhood organization which
19 engages in the activities of providing neighborhood assistance,
20 job training or education for individuals, community services or
21 crime prevention in an impoverished area or private company

1 which makes qualified investment to rehabilitate, expand or
2 improve buildings or land located within portions of
3 impoverished areas which have been designated as enterprise
4 zones shall receive a tax credit as provided in section 1905-A
5 if the Secretary of Community Affairs annually approves the
6 proposal of such business firm or private company. The proposal
7 shall set forth the program to be conducted, the impoverished
8 area selected, the estimated amount to be invested in the
9 program and the plans for implementing the program.

10 (b) The Secretary of Community Affairs is hereby authorized
11 to promulgate rules and regulations for the approval or
12 disapproval of such proposals by business firms or private
13 companies and provide a listing of all applications received and
14 their disposition in each fiscal year to the General Assembly by
15 October 1 of the following fiscal year.

16 (c) The total amount of tax credit granted for programs
17 approved under this act shall not exceed [fourteen million seven
18 hundred fifty thousand dollars (\$14,750,000)] twenty-nine
19 million five hundred thousand dollars (\$29,500,000) of tax
20 credit in any fiscal year, subject to the following:

21 (1) [two million dollars (\$2,000,000)] four million dollars
22 (\$4,000,000) of the total amount of tax credit shall be
23 allocated for comprehensive service projects, but the Secretary
24 of Community Affairs may reallocate any unused portion of the
25 [two million dollars (\$2,000,000)] four million dollars
26 (\$4,000,000) for any other program authorized by this act if
27 insufficient applications are made for comprehensive service
28 projects; and

29 (2) [four million dollars (\$4,000,000)] eight million
30 dollars (\$8,000,000) of the total amount of tax credit shall be

1 set aside exclusively for private companies which make qualified
2 investments to rehabilitate, expand or improve buildings or land
3 which promote community economic development and which occur in
4 portions of impoverished areas which have been designated as
5 enterprise zones.

6 Section 1905-A. Grant of Tax Credit.--The Department of
7 Revenue shall grant a tax credit against any tax due under
8 Article IV, VI, VII, VII-A, VIII, VIII-A, IX, X or XV of this
9 act, or any tax substituted in lieu thereof in an amount which
10 shall not exceed fifty per cent of the total amount invested
11 during the taxable year by the business firm or twenty per cent
12 of qualified investments by a private company in programs
13 approved pursuant to section 1904-A of this act: Provided, That
14 a tax credit of up to seventy per cent of the total amount
15 invested during the taxable year by a business firm or up to
16 thirty per cent of the amount of qualified investments by a
17 private company may be allowed for investment in programs where
18 activities fall within the scope of special program priorities
19 as defined with the approval of the Governor in regulations
20 promulgated by the Secretary of the Department of Community
21 Affairs. Regulations establishing special program priorities are
22 to be promulgated during the first month of each fiscal year and
23 at such times during the year as the public interest dictates.
24 Such credit shall not exceed two hundred fifty thousand dollars
25 (\$250,000) annually, except in the case of comprehensive service
26 projects which shall be allowed an additional credit equal to
27 seventy per cent of the qualifying investments made in
28 comprehensive service projects; however, such additional credit
29 shall not exceed one hundred seventy-five thousand dollars
30 (\$175,000) annually. No tax credit shall be granted to any bank,

1 bank and trust company, insurance company, trust company,
2 national bank, savings association, mutual savings bank or
3 building and loan association for activities that are a part of
4 its normal course of business. Any tax credit not used in the
5 period the investment was made may be carried over for the next
6 five succeeding calendar or fiscal years until the full credit
7 has been allowed. The total amount of all tax credits allowed
8 pursuant to this act shall not exceed [fourteen million seven
9 hundred fifty thousand dollars (\$14,750,000)] twenty-nine
10 million five hundred thousand dollars (\$29,500,000) in any one
11 fiscal year.

12 Section 2. The amendment of sections 1904-A and 1905-A of
13 the act shall apply to tax years beginning after December 31,
14 1994.

15 Section 3. This act shall take effect immediately.