

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1716 Session of
1995

INTRODUCED BY J. TAYLOR, BROWNE, THOMAS, YOUNGBLOOD, BOYES,
STETLER, GEIST, FICHTER, PESCI, E. Z. TAYLOR, BOSCOLA,
MICHLOVIC, BELFANTI, ITKIN, TRELLO, RUDY, CAWLEY, WOGAN,
KENNEY, PISTELLA, REBER AND O'BRIEN, JUNE 7, 1995

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES,
AS AMENDED, JUNE 21, 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 DEFINING "COMMUNITY SERVICES"; AND <—
11 increasing the total amount and the allocated portions of the
12 Neighborhood Assistance Tax Credit.

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

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

18 SECTION 1. THE DEFINITION OF "COMMUNITY SERVICES" IN SECTION <—
19 1902-A OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE
20 TAX REFORM CODE OF 1971, ADDED JUNE 16, 1994 (P.L.279, NO.48),
21 IS AMENDED TO READ:

SECTION 1902-A. DEFINITIONS.--THE FOLLOWING WORDS, TERMS AND PHRASES, WHEN USED IN THIS ARTICLE, SHALL HAVE THE MEANINGS ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT CLEARLY INDICATES A DIFFERENT MEANING:

* * *

"COMMUNITY SERVICES." ANY TYPE OF COUNSELING AND ADVICE, EMERGENCY ASSISTANCE, ENERGY ASSISTANCE OR MEDICAL CARE FURNISHED TO INDIVIDUALS OR GROUPS IN AN IMPOVERISHED AREA. THE TERM INCLUDES FOOD ASSISTANCE AND NUTRITION SERVICES OFFERED BY ORGANIZATIONS SUCH AS FOOD BANKS.

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SECTION 2. SECTIONS 1904-A(C) AND 1905-A OF THE ACT, ADDED JUNE 16, 1994 (P.L.279, NO.48), ARE AMENDED TO READ:

Section 1904-A. Tax Credit.--* * *

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

(1) [two million dollars (\$2,000,000)] five million dollars (\$5,000,000) of the total amount of tax credit shall be allocated for comprehensive service projects, but the Secretary of Community Affairs may reallocate any unused portion of the [two million dollars (\$2,000,000)] five million dollars (\$5,000,000) for any other program authorized by this act if insufficient applications are made for comprehensive service projects; and

(2) [four million dollars (\$4,000,000)] five million dollars (\$5,000,000) of the total amount of tax credit shall be set aside exclusively for private companies which make qualified

1 investments to rehabilitate, expand or improve buildings or land
2 which promote community economic development and which occur in
3 portions of impoverished areas which have been designated as
4 enterprise zones.

5 Section 1905-A. Grant of Tax Credit.--The Department of
6 Revenue shall grant a tax credit against any tax due under
7 Article IV, VI, VII, VII-A, VIII, VIII-A, IX, X or XV of this
8 act, or any tax substituted in lieu thereof in an amount which
9 shall not exceed fifty per cent of the total amount invested
10 during the taxable year by the business firm or twenty per cent
11 of qualified investments by a private company in programs
12 approved pursuant to section 1904-A of this act: Provided, That
13 a tax credit of up to seventy per cent of the total amount
14 invested during the taxable year by a business firm or up to
15 thirty per cent of the amount of qualified investments by a
16 private company may be allowed for investment in programs where
17 activities fall within the scope of special program priorities
18 as defined with the approval of the Governor in regulations
19 promulgated by the Secretary of the Department of Community
20 Affairs. Regulations establishing special program priorities are
21 to be promulgated during the first month of each fiscal year and
22 at such times during the year as the public interest dictates.
23 Such credit shall not exceed [two hundred fifty thousand dollars <—
24 (\$250,000)] FIVE HUNDRED THOUSAND DOLLARS (\$500,000) annually, <—
25 except in the case of comprehensive service projects which shall
26 be allowed an additional credit equal to seventy per cent of the
27 qualifying investments made in comprehensive service projects;
28 however, such additional credit shall not exceed one hundred
29 seventy-five thousand dollars (\$175,000) annually. No tax credit
30 shall be granted to any bank, bank and trust company, insurance

1 company, trust company, national bank, savings association,
2 mutual savings bank or building and loan association for
3 activities that are a part of its normal course of business. Any
4 tax credit not used in the period the investment was made may be
5 carried over for the next five succeeding calendar or fiscal
6 years until the full credit has been allowed. The total amount
7 of all tax credits allowed pursuant to this act shall not exceed
8 [fourteen million seven hundred fifty thousand dollars
9 (\$14,750,000)] twenty million dollars (\$20,000,000) in any one
10 fiscal year.

11 Section ~~2~~ 3. This act shall take effect immediately.

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