

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 504 Session of
2005

INTRODUCED BY GREENLEAF, LOGAN, GORDNER, O'PAKE, KITCHEN,
TOMLINSON, KASUNIC, BOSCOLA, COSTA, STOUT, D. WHITE, MUSTO,
TARTAGLIONE, ERICKSON, ORIE, WENGER, WAUGH AND FERLO,
MARCH 29, 2005

REFERRED TO FINANCE, MARCH 29, 2005

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 child-care 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 XXII

17 CHILD-CARE TAX CREDIT

18 Section 2201. Short Title.--This article shall be known and
19 may be cited as the Child-Care Tax Credit Act.

20 Section 2202. Definitions.--The following words, terms and
21 phrases, when used in this article, shall have the meanings

1 ascribed to them in this section, except where the context
2 clearly indicates otherwise:

3 "Business firm." A corporation, partnership or sole
4 proprietorship authorized to do business in this Commonwealth
5 and subject to any of the taxes imposed by Article III, IV, VI,
6 VII, VIII, IX or XV of this act.

7 "Contributions." Net payments made to a child-care program
8 not operated by the business firm for child-care services for
9 children of employes of the business firm.

10 "Credit." The child-care tax credit.

11 "Net costs." Amounts, exclusive of start-up expenses,
12 expended for the operation of a child-care program reduced by
13 the fees or charges paid by the users of the child-care program
14 services.

15 Section 2203. Authorization of Credit.--(a) A business firm
16 that operates its own child-care program which has been issued a
17 valid license by the Department of Public Welfare shall be
18 eligible for the tax credit.

19 (b) A business firm which makes contributions to a child-
20 care program not operated by the business firm which has been
21 issued a valid license by the Department of Public Welfare shall
22 be eligible for the tax credit.

23 Section 2204. Calculation of Credit.--(a) The amount of the
24 tax credit available to a business firm which qualifies under
25 this article and operates its own not-for-profit child-care
26 program shall be equal to one hundred per cent of the net costs
27 expended for the operation and maintenance of the child-care
28 program.

29 (b) The amount of the tax credit available to a business
30 firm which qualifies under this article and contributes to a

1 child-care program not operated by the business firm shall be
2 equal to one hundred per cent of the contributions made by the
3 business firm to the child-care program.

4 Section 2205. Taxes Against Which Credit May be Taken.--(a)
5 Except as provided in subsection (b), the tax credit provided
6 for in this article may be applied against any tax due under
7 Article III, IV, VI, VII, VIII, IX or XV of this act.

8 (b) The tax credit provided for in this article shall not be
9 applied against employer withholding taxes required under
10 Article III of this act.

11 Section 2206. Powers and Duties.--In addition to those
12 powers created by any other act, the Secretary of Revenue shall
13 have the power and it shall be the secretary's duty to:

14 (1) Promulgate and publish any rules and regulations which
15 may be required to implement this article.

16 (2) Publish as a notice in the Pennsylvania Bulletin forms
17 upon which taxpayers may apply for the tax credit authorized by
18 this article.

19 Section 2. This act shall apply to the taxable year
20 beginning January 1, 2006.

21 Section 3. This act shall take effect immediately.