
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 653 Session of
2005

INTRODUCED BY RAFFERTY, COSTA, D. WHITE, ORIE, TARTAGLIONE,
KASUNIC, O'PAKE, FUMO, WONDERLING, PILEGGI, LOGAN AND
RHOADES, APRIL 28, 2005

REFERRED TO FINANCE, APRIL 28, 2005

AN ACT

1 Providing for tax credits to employers against their corporate
2 net income tax liability for hiring employees 55 years of age
3 or older for full-time employment.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the Continued
8 Employment Tax Credit Act.

9 Section 2. Legislative intent.

10 The General Assembly finds and declares as follows:

11 (1) The public policy of this Commonwealth is to provide
12 all its citizens with the opportunity to work.

13 (2) One obstacle to many is acquiring sustainable
14 employment in a highly competitive job market.

15 (3) The Commonwealth wishes to acknowledge those
16 businesses that consider the interests and needs of their
17 employees.

18 (4) The policy stated in this section can be achieved by

1 providing a tax credit against the corporate net income tax
2 liability to employers who hire a full-time employee 55 years
3 of age or older.

4 Section 3. Authorization of tax credit.

5 Every taxpayer that is an employer engaged in a for-profit
6 business enterprise and that hires a full-time employee who:

7 (1) is 55 years of age or older; and

8 (2) has not been employed during the one-year period
9 prior to being hired by the taxpayer

10 shall be eligible to receive a tax credit against any tax due
11 from the employer under Article IV of the act of March 4, 1971
12 (P.L.6, No.2), known as the Tax Reform Code of 1971, and against
13 any payment of estimated tax or payment of tentative tax due
14 from the employer on account of such taxes.

15 Section 4. Limitations on tax credits.

16 Tax credits awarded under this act shall be subject to the
17 following:

18 (1) Unused tax credits may be carried forward two years
19 from the date they are awarded. If not used within this time
20 period, the tax credits shall expire.

21 (2) Tax credits shall not be refundable.

22 (3) Tax credits shall not be transferable.

23 (4) Except in cases where an eligible employee
24 voluntarily leaves the employment of the taxpayer, becomes
25 disabled or is terminated for cause, no taxpayer shall be
26 entitled to receive the tax credit if the employee is
27 employed by the taxpayer for less than one year.

28 (5) If an eligible employee leaves the employment of the
29 taxpayer voluntarily, becomes disabled or is terminated for
30 cause in less than one year, the tax credit shall be reduced

1 by the proportion of the year not worked.

2 (6) Tax credits under Article IV of the act of March 4,
3 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,
4 shall be in lieu of any allowance for depreciation of
5 property claimed and allowable under section 168 of the
6 Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §
7 168).

8 (7) The amount of the tax credit allowed shall not
9 exceed the amount of the tax otherwise due from the employer
10 for the taxable year.

11 Section 5. Amount of tax credit.

12 For tax years beginning after January 1, 2006, a tax credit
13 against the tax imposed under Article IV of the act of March 4,
14 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, shall
15 be awarded to each taxpayer eligible under section 3 (relating
16 to authorization of tax credit). The amount of tax credit shall
17 be equal to the lesser of \$10,000 or 10% of the employees'
18 qualified first year wages for such year.

19 Section 6. Effective date.

20 This act shall take effect in 60 days.