

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 678 Session of  
2005

INTRODUCED BY STACK, MELLOW, MUSTO, BOSCOLA, PUNT, ERICKSON,  
BRIGHTBILL, TARTAGLIONE, LAVALLE, O'PAKE, COSTA, WENGER,  
LOGAN, GREENLEAF, RHOADES AND ORIE, MAY 11, 2005

REFERRED TO FINANCE, MAY 11, 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," establishing a tax credit for telecommunication  
11 carriers that offer telecommunication services to  
12 Pennsylvania National Guard members ordered to active Federal  
13 or State service.

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

16 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as  
17 the Tax Reform Code of 1971, is amended by adding an article to  
18 read:

ARTICLE XVIII-C

PENNSYLVANIA NATIONAL GUARD

TELECOMMUNICATION ACCESS TAX CREDIT

22 Section 1801-C. Short title.

23 This article shall be known and may be cited as the

Pennsylvania National Guard Telecommunication Access Program.

Section 1802-C. Definitions.

The following words and phrases when used in this article shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Active member." A member of the Pennsylvania National Guard ordered to active Federal or State service or injured while on Federal or State active duty.

"Tax credit." The Pennsylvania National Guard telecommunication access tax credit established by this article.

"Telecommunication carrier." An entity that provides telecommunication services subject to the jurisdiction of the Pennsylvania Public Utility Commission.

"Telecommunication services." Includes, but is not limited to, any service provided to facilitate the origination, transmission, emission or reception of signs, signals, data, writings, images and sounds or intelligence of any nature by telephone, including cellular telephones, wire, radio, electromagnetic, photoelectronic or photo-optical system and also any service provided by any cable television, satellite, microwave or wireless distribution system or facility, including, but not limited to, any and all electronic, data, video, audio, Internet access, telephonic, microwave and radio communications, transmissions, signals and services.

Section 1803-C. Purpose.

The purpose of this article is to provide fiscal incentives to telecommunication carriers that provide access to telecommunication services at no cost to active members.

Section 1804-C. Authorization of credit.

A telecommunication carrier that offers active members access

to telecommunication services at no cost shall be eligible to receive a tax credit.

Section 1805-C. Calculation of tax credit.

The amount of the tax credit available to a telecommunication carrier which qualifies under this article shall be calculated using only one of the following:

(1) A telecommunication carrier that assigns telecommunication services to an active member shall be eligible to receive a 50% tax credit for the cost of those services.

(2) A telecommunication carrier that assigns telecommunication services to an active member that uses the services assigned shall be eligible for a 100% tax credit for the cost of those services.

Section 1806-C. Taxes against which tax credit may be taken.

The tax credit may be applied against any tax due under Article III (relating to personal income tax), IV (relating to corporate net income tax) or V (relating to corporation income tax).

Section 1807-C. Limit on total credit.

The following limits are imposed on the tax credits:

(1) The total tax credit that may be claimed by any single telecommunication carrier shall be not more than \$250,000 in any one single year.

(2) The total amount of all tax credits granted under this article shall be not more than \$5,000,000 in any one fiscal year.

Section 1808-C. Powers and duties.

The Department of Revenue shall have the power and duty to do all of the following:

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

3       (2) Publish as a notice in the Pennsylvania Bulletin  
4       forms upon which taxpayers may apply for the tax credit.

5       (3) Within five months after the close of any calendar  
6       year during which tax credits granted under this article were  
7       used, furnish to the members of the General Assembly an  
8       annual report concerning each telecommunication carrier which  
9       used tax credits during the preceding calendar year pursuant  
10      to this article which includes all of the following:

11           (i) The name and address of the telecommunication  
12           carrier.

13           (ii) The number of active members that were assigned  
14           telecommunication services.

15           (iii) The number of active members that used their  
16           assigned telecommunication services.

17           (iv) The total amount of telecommunication services  
18           used by active members.

19           (v) The amount of tax credits granted.

20      Section 2. This act shall apply to taxable years beginning  
21      after December 24, 2004.

22      Section 3. This act shall take effect immediately.