

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 685 Session of 2009

INTRODUCED BY DINNIMAN, TARTAGLIONE, BOSCOLA, BROWNE, BRUBAKER,
COSTA, EARLL, ERICKSON, FERLO, FONTANA, GREENLEAF, LEACH,
O'PAKE, RAFFERTY, STACK, STOUT, M. WHITE AND WILLIAMS,
MARCH 27, 2009

REFERRED TO FINANCE, MARCH 27, 2009

AN ACT

1 Providing for tax credits for certain health care organizations.

2 The General Assembly of the Commonwealth of Pennsylvania

3 hereby enacts as follows:

4 Section 1. Short title.

5 This act shall be known and may be cited as the Health Care
6 Access Tax Credit Act.

7 Section 2. Definitions.

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

11 "Business firm." An entity authorized to do business in this
12 Commonwealth and subject to taxes imposed under Article IV, VI,
13 VII, IX or XV of the act of March 4, 1971 (P.L.6, No.2), known
14 as the Tax Reform Code of 1971.

15 "Contribution." A donation of cash, personal property or
16 services the value of which is the net cost of the donation to

1 the donor or the pro rata hourly wage, including benefits, of
2 the individual performing the services.

3 "Department." The Department of Community and Economic
4 Development of the Commonwealth.

5 "Health care organization." An entity which meets all of the
6 following:

7 (1) does not accept any reimbursement from private or
8 public funds for providing health care services;

9 (2) relies predominately on private local philanthropic
10 donations for its support;

11 (3) is exempt from Federal taxation under section 501(c)
12 (3) of the Internal Revenue Code of 1986 (Public Law 99-514,
13 26 U.S.C. § 501(c)(3));

14 (4) is registered as a charitable organization with the
15 Department of State, if required by law to register;

16 (5) is staffed substantially by health care
17 practitioners, as defined in section 3 of the act of December
18 4, 1996 (P.L.893, No.141), known as the Volunteer Health
19 Services Act, who volunteer their services; and

20 (6) provides at least 80% of its primary, oral and
21 behavioral health care services to Pennsylvanians who are
22 underinsured or uninsured.

23 Section 3. Qualification and application.

24 (a) Establishment.--A health care access tax credit program
25 is hereby established to improve the availability and delivery
26 of health care and health care services to the citizens of this
27 Commonwealth.

28 (b) Information.--In order to qualify under this act a
29 health care organization must submit information to the
30 department that enables the department to confirm that the

1 organization is exempt from taxation under section 501(c)(3) of
2 the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C.
3 § 501(c)(3)).

4 (c) Health care organizations.--A health care organization
5 must certify to the department that the organization is eligible
6 to participate in the program established under this act and
7 must agree to annually report the following information to the
8 department by December 1, 2009, and September 1 of each year
9 thereafter:

10 (1) The number of unduplicated patients served during
11 the past year based on economic category.

12 (2) A listing of the kinds of health care services
13 provided and the number of patient visits conducted during
14 the past year.

15 (3) A copy of the organization's most recent independent
16 financial audit and IRS Form 990.

17 (4) A copy of the organization's BCO-10 form currently
18 on file with the Bureau of Charitable Organizations in the
19 Department of State.

20 (5) The information required under paragraphs (1)
21 through (4) shall be submitted on a form provided by the
22 department. No later than September 1, 2009, and May 1 of
23 each year thereafter, the department shall annually
24 distribute such sample forms, together with the forms on
25 which the reports are required to be made, to each listed
26 health care organization.

27 (d) Notification.--The department shall notify the health
28 care organization that the organization meets the requirements
29 of this act for the fiscal year no later than 60 days after the
30 organization has submitted the information required under this

1 section.

2 (e) Publication.--The department shall annually publish a
3 list of each health care organization qualified under this
4 section in the Pennsylvania Bulletin. The list shall also be
5 posted and updated as necessary on the department's publicly
6 accessible Internet website.

7 Section 4. Application for tax credit; availability.

8 (a) Business firm application.--A business firm shall apply
9 to the department for a tax credit under section 5.

10 (b) Awarding of tax credit.--A business firm shall receive a
11 tax credit under this act if the health care organization that
12 receives the contribution appears on the list established under
13 section 3(e).

14 (c) Availability of tax credits.--Tax credits under this act
15 shall be made available by the department on a first-come-first-
16 served basis, with priority given to business firms that
17 contribute to health care organizations that have applied for,
18 qualified for, but have not been awarded a Community Primary
19 Care Challenge Grant administered by the Department of Health
20 pursuant to section 1304 of the act of December 2, 1992
21 (P.L.741, No.113), known as the Children's Health Care Act.

22 Section 5. Contributions.

23 A contribution by a business firm to a health care
24 organization shall be made no later than 60 days following
25 approval of an application under section 4.

26 Section 6. Tax credit.

27 (a) Amount.--In accordance with section 7, the Department of
28 Revenue shall grant a tax credit against any tax due under
29 Article IV, VI, VII, IX or XV of the act of March 4, 1971
30 (P.L.6, No.2), known as the Tax Reform Code of 1971, to a

1 business firm providing proof of a contribution to a health care
2 organization in the taxable year in which the contribution is
3 made which shall not exceed 75% of the total amount contributed
4 during the taxable year by the business firm. Such credit shall
5 not exceed \$200,000 annually per business firm for contributions
6 made to health care organizations.

7 (b) Additional amount.--The Department of Revenue shall
8 grant a tax credit of up to 90% of the total amount contributed
9 during the taxable year if the business firm provides a written
10 commitment to provide the health care organization with the same
11 amount of contribution for two consecutive tax years. The
12 business firm must provide the written commitment under this
13 subsection to the department at the time of application.

14 Section 7. Limitations.

15 (a) Amount.--The total aggregate amount of all tax credits
16 approved shall not exceed \$25,000,000 in a fiscal year.

17 (b) Activities.--No tax credit shall be approved for
18 activities that are a part of a business firm's normal course of
19 business.

20 (c) Tax liability.--A tax credit granted for any one taxable
21 year may not exceed the tax liability of a business firm.

22 (d) Use.--A tax credit not used in the taxable year the
23 contribution was made may not be carried forward or carried back
24 and is not refundable or transferable.

25 Section 8. Lists.

26 The Department of Revenue shall provide a list of all health
27 care organizations receiving contributions from business firms
28 granted a tax credit under this act to the General Assembly by
29 June 30 of each year.

30 Section 9. Effective date.

1 This act shall take effect in 60 days.