

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 685 Session of 2011

INTRODUCED BY BLAKE, COSTA, TARTAGLIONE, FONTANA, SOLOBAY,  
WOZNIAK, BOSCOLA, YUDICHAK, BREWSTER, KITCHEN AND FARNESE,  
APRIL 1, 2011

REFERRED TO FINANCE, APRIL 1, 2011

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 the definitions of "small business"  
11 and "unemployed individual"; and further providing for  
12 application process and for tax credits.

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

15 Section 1. Section 1801-B of the act of March 4, 1971  
16 (P.L.6, No.2), known as the Tax Reform Code of 1971, is amended  
17 by adding definitions to read:

18 Section 1801-B. Definitions.

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

22 \* \* \*

1 "Small business." A company that is engaged in a for-profit  
2 enterprise and that employs 50 or fewer individuals.

3 \* \* \*

4 "Unemployed individual." An individual who at the time of  
5 hiring meets all of the following:

6 (1) Is hired on or after July 1, 2011.

7 (2) Certifies by signed affidavit, under penalty of  
8 perjury, that the individual has not been employed during the  
9 60-day period ending on the date the individual begins  
10 employment.

11 (3) Is not employed by the company to replace another  
12 employee of the company unless the other employee separated  
13 from employment voluntarily or for cause.

14 (4) Will perform duties connected to the new job for at  
15 least 52 consecutive weeks.

16 \* \* \*

17 Section 2. Sections 1803-B(b) and (c) and 1804-B(a), (d) and  
18 (e) of the act, added June 22, 2001 (P.L.353, No.23), are  
19 amended to read:

20 Section 1803-B. Application process.

21 \* \* \*

22 (b) Creation of jobs.--[The] Except as provided under this  
23 subsection, an applicant must agree to create at least 25 new  
24 jobs or to increase the applicant's number of employees by at  
25 least 20% within three years of the start date. A small business  
26 applicant must agree to increase the applicant's number of  
27 employees by at least 10% within three years after the start  
28 date.

29 (c) Approval.--If the department approves the company's  
30 application, the department and the company shall execute a

1 commitment letter containing the following:

2 (1) A description of the project.

3 (2) The number of new jobs to be created.

4 (3) The amount of private capital investment in the  
5 project.

6 (3.1) A statement authorizing the per job credit as a  
7 single year or multiple year credit.

8 (4) The maximum job creation tax credit amount the  
9 company may claim.

10 (5) A signed statement that the company intends to  
11 maintain its operation in this Commonwealth for five years  
12 from the start date.

13 (6) Such other information as the department deems  
14 appropriate.

15 \* \* \*

16 Section 1804-B. Tax credits.

17 (a) Maximum amount.--A company may claim a tax credit of  
18 [\$1,000] \$2,000 per new job created, or \$4,000 per each new job  
19 created if the newly created job is filled by an unemployed  
20 individual, up to the maximum job creation tax credit amount  
21 specified in the commitment letter.

22 \* \* \*

23 (d) Tax credit term.--A company may claim the job creation  
24 tax credit for each new job created, as approved by the  
25 department, for a [period determined by the department but not  
26 to exceed] one-year, two-year or three-year period as authorized  
27 by the department, except that no tax credit may be claimed for  
28 more than five years from the date the company first submits a  
29 job creation tax credit certificate.

30 (e) Availability of tax credits.--Each fiscal year,

1   [\$22,500,000] \$25,000,000 in tax credits shall be made available  
2   to the department and may be awarded by the department in  
3   accordance with this article. In addition, in any fiscal year,  
4   the department may reissue or assign prior fiscal year tax  
5   credits which have been recaptured under section 1806-B(a) or  
6   (b) and may award prior fiscal year credits not previously  
7   issued. Prior fiscal year credits may be reissued, assigned or  
8   awarded by the department without limitation by section 1805-  
9   B(b) .

10       Section 3. A company may claim the tax credit under section  
11   1804-B of the act for each newly created job filled by an  
12   unemployed individual on or after the effective date of this  
13   section.

14       Section 4. This act shall take effect in 60 days.