

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 934 Session of 2015

INTRODUCED BY BROWNE, WHITE, TEPLITZ, FONTANA, YUDICHAK, COSTA AND HUGHES, JUNE 29, 2015

REFERRED TO FINANCE, JUNE 29, 2015

AN ACT

1 Amending the act of July 11, 1990 (P.L.465, No.113), entitled
 2 "An act providing for the creation of tax increment
 3 districts; providing for additional powers and duties to be
 4 exercised by redevelopment authorities and by industrial and
 5 commercial development authorities; authorizing the creation
 6 and approval of project plans for tax increment financing;
 7 providing for the establishment of a tax increment base;
 8 allocating the payment of positive tax increments; providing
 9 for the financing of project costs; and providing for the
 10 issuance of tax increment bonds and notes," further providing
 11 for the definitions of "tax increment" and "tax increment
 12 base."

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

15 Section 1. The definitions of "tax increment" and "tax
 16 increment base" in section 3 of the act of July 11, 1990
 17 (P.L.465, No.113), known as the Tax Increment Financing Act,
 18 amended December 16, 1992 (P.L.1240, No.164), are amended to
 19 read:

20 Section 3. Definitions.

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

1 * * *

2 "Tax increment." Generally, the incremental tax revenues,
3 determined with reference to the tax increment base, resulting
4 from the increase in property values or from the increase in
5 commercial activity as a result of a project. More specifically,
6 the term includes the following:

7 (1) The incremental tax revenues resulting from an
8 increase in the total market value of taxable real property
9 situated in a tax increment district and an increase in the
10 business use and occupancy of such taxable real property.
11 This paragraph applies only to ad valorem taxes on real
12 property and tax imposed by the governing body on the use and
13 occupancy of real property.

14 (2) The payment in lieu of taxes assigned to or agreed
15 to be paid by governmental entities or nonprofit
16 organizations with property situated or otherwise assignable
17 to a tax increment district. Whether all or only a portion of
18 this payment is to be considered part of the tax increment
19 shall be determined at the time the tax increment district is
20 created.

21 (3) The incremental tax revenues resulting from an
22 increase in total taxable sales and rentals of tangible
23 personal property and in the rendition of taxable services by
24 vendors located in a tax increment district. This paragraph
25 applies only to a sales tax levied by a governing body.

26 (4) The incremental tax revenues resulting from an
27 increase in total gross receipts or gross or net profits or
28 income realized by persons or entities from business
29 conducted in a tax increment district. This paragraph applies
30 only to those taxes levied under the authority of the act of

1 August 5, 1932 (Sp.Sess., P.L.45, No.45), referred to as the
2 Sterling Act, the act of December 31, 1965 (P.L.1257,
3 No.511), known as The Local Tax Enabling Act, and the act of
4 May 30, 1984 (P.L.345, No.69), known as the First Class City
5 Business Tax Reform Act.

6 (5) The incremental tax revenues resulting from an
7 increase in the total taxable earnings realized by:

8 (i) unincorporated businesses operating in the tax
9 increment district; and

10 (ii) employees working for persons or governmental
11 entities that are conducting business in the tax
12 increment district.

13 This paragraph shall apply to revenues from taxes levied
14 under the Sterling Act, the act of March 10, 1949 (P.L.30,
15 No.14), known as the Public School Code of 1949, and The
16 Local Tax Enabling Act.

17 "Tax increment base." The term means one or more of the
18 following, as appropriate:

19 (1) The aggregate market value of all taxable real
20 property located within a tax increment district on the date
21 the district is created.

22 (2) In a district where the governing body has levied a
23 tax on the business use and occupancy of real estate, the
24 average aggregate market value of real property located
25 within the district and used or occupied for business
26 purposes during the last available 12-month period preceding
27 the date of creation of the district.

28 (3) In a district where the governing body has levied a
29 sales tax, the total amount of taxable sales, rentals and
30 services subject to the sales tax of the Commonwealth and

1 occurring within the district during the last calendar year
2 or the last available 12-month period preceding the date of
3 creation of the district.

4 (4) In a district where the governing body has levied a
5 mercantile license tax, business privilege tax, net profits
6 tax or similar tax for the privilege of engaging in business
7 within the district, the total amount of taxable gross
8 receipts, net income or net profits, as the case may be,
9 realized by taxpayers at locations within the district during
10 their last taxable period which ended before the date of
11 creation of the district.

12 (5) In a district where the governing body has levied an
13 earned income tax, the total amount of taxable net earnings
14 realized by taxpayers at locations within the district during
15 their last taxable period which ended before the date of the
16 creation of the district.

17 * * *

18 Section 2. This act shall take effect in 60 days.