

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2156 Session of 2018

INTRODUCED BY TOBASH, MULLERY, ROEBUCK, QUIGLEY, RYAN, PICKETT, THOMAS, DAVIS, HICKERNELL, READSHAW, BOBACK, A. DAVIS, CHARLTON, SCHLOSSBERG, BERNSTINE, FEE, LEWIS, MCGINNIS, STAATS, IRVIN, SOLOMON, SCHLEGEL CULVER, PHILLIPS-HILL, PASHINSKI, DERMODY, HEFFLEY, J. McNEILL, DRISCOLL, GROVE, HANNA, A. HARRIS, MARSICO, REESE, RAPP, COX, JOZWIAK, GOODMAN, DeLUCA, O'NEILL, ENGLISH, ROTHMAN, MICCARELLI AND DUSH, APRIL 6, 2018

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, APRIL 18, 2018

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," providing for Career and Technical
6 Education Partnership Tax Credit Program.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. The act of March 10, 1949 (P.L.30, No.14), known
10 as the Public School Code of 1949, is amended by adding an
11 article to read:

12 ARTICLE XX-H

13 CAREER AND TECHNICAL EDUCATION PARTNERSHIP

14 TAX CREDIT PROGRAM

15 Section 2001-H. Scope of article.

16 This article relates to the Career and Technical Education

1 Partnership Tax Credit Program.

2 Section 2002-H. Definitions.

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

6 "Area career and technical education school." Any of the
7 following:

8 (1) A specialized public secondary school used
9 exclusively or principally for the provision of career and
10 technical education to individuals who are available for
11 study in preparation for entering the labor market.

12 (2) The department of a public secondary school
13 exclusively or principally used for providing career and
14 technical education in not fewer than five different
15 occupational fields to individuals who are available for
16 study in preparation for entering the labor market.

17 (3) A public or nonprofit technical institution or
18 career and technical education school used exclusively or
19 principally for the provision of career and technical
20 education to individuals who have completed or left secondary
21 school and who are available for study in preparation for
22 entering the labor market, if the institution or school
23 admits, as regular students, individuals who have completed
24 secondary school and individuals who have left secondary
25 school.

26 (4) The department or division of an institution of
27 higher education that operates under the policies of the
28 eligible agency and that provides career and technical
29 education in not fewer than five different occupational
30 fields leading to immediate employment but not necessarily

1 leading to a baccalaureate degree, if the department or
2 division admits, as regular students, individuals who have
3 completed secondary school and individuals who have left
4 secondary school.

5 "Business firm." An entity which is authorized to do
6 business in this Commonwealth and subject to taxes imposed by
7 Article III, IV, VI, VII, VIII, IX, XV or XX of the Tax Reform
8 Code of 1971 or a tax under Article XVI of the act of May 17,
9 1921 (P.L.682, No.284), known as The Insurance Company Law of
10 1921. The term includes a pass-through entity, including a pass-
11 through entity whose purpose is the making of contributions
12 under this article and whose shareholders, partners or members
13 are composed of owners or employees of other business firms.

14 "Career and technical education." Organized educational
15 activities which meet all of the following:

16 (1) Offer a sequence of courses that:

17 (i) provides individuals with coherent and rigorous
18 content aligned with challenging academic standards and
19 relevant technical knowledge and skills needed to prepare
20 for further education and careers in current or emerging
21 professions;

22 (ii) provides technical skill proficiency, an
23 industry-recognized credential, a certificate or an
24 associate degree; and

25 (iii) may include prerequisite courses, other than a
26 remedial course, that meet the requirements of this
27 paragraph.

28 (2) Include competency-based applied learning that
29 contributes to the academic knowledge, higher-order reasoning
30 and problem-solving skills, work attitudes, general

1 employability skills, technical skills, occupation-specific
2 skills and knowledge of all aspects of an industry, including
3 entrepreneurship, and an individual.

4 "Career and technical partnership organization." A nonprofit
5 entity which meets all of the following:

6 (1) Is exempt from Federal taxation under section 501(c)
7 (3) of the Internal Revenue Code of 1986 (Public Law 99-514,
8 26 U.S.C. § 1 et seq.).

9 (2) PROVIDES SUPPORT OR EXPANDS ACCESS TO CAREER AND <--
10 TECHNICAL EDUCATION.

11 ~~(2)~~ (3) Contributes based on one of the following: <--

12 (i) At least 80% of its annual receipts as
13 contributions to a public school, area career and
14 technical education school, charter school, regional
15 charter school, ~~cyber charter school~~ or an institution of <--
16 higher education. For purposes of this subparagraph, a
17 nonprofit entity "contributes" its annual cash receipts
18 when it expends or otherwise irrevocably encumbers those
19 funds for expenditure during the then-current fiscal year
20 of the nonprofit entity or during the next succeeding
21 fiscal year of the nonprofit entity. A nonprofit entity
22 shall include a school district foundation, public school
23 foundation, charter school foundation, ~~cyber charter~~ <--
24 school foundation, area career and technical education
25 school foundation or institution of higher education.

26 (ii) At least 80% of its annual cash receipts to a
27 scholarship program. For purposes of this subparagraph, a
28 nonprofit entity "contributes" its annual cash receipts
29 to a scholarship program when it expends or otherwise
30 irrevocably encumbers those funds for distribution during

1 the then-current fiscal year of the nonprofit entity or
2 during the next succeeding fiscal year of the nonprofit
3 entity.

4 (iii) At least 80% of its annual cash receipts to a
5 combination of expenditures under subparagraphs (i) and
6 (ii).

7 "Charter school." As defined in section 1703-A.

8 "Contribution." The donation of any of the following:

9 (1) Cash or personal property.

10 (2) Services, the value of which is the net cost of the
11 donation to the donor or the pro rata hourly wage, including
12 benefits, of the individual performing the service.

13 ~~"Cyber charter school." As defined in section 1703-A.~~ <--

14 "Department." The Department of Community and Economic
15 Development of the Commonwealth.

16 "Dual enrollment program." A program which provides an
17 eligible student with college credits while fulfilling high
18 school requirements at the same time.

19 "Eligible student." A student who:

20 (1) is 22 years of age or younger;

21 (2) is enrolled in a school, area career and technical
22 education school, charter school, regional charter school, <--
23 ~~cyber charter school~~ or institution of higher education; and

24 (3) has enrolled in at least two career and technical
25 education courses.

26 "HIGH-DEMAND OCCUPATION." A PROFESSION THAT: <--

27 (1) IS FOUND IN THE CURRENT YEAR HIGH-PRIORITY
28 OCCUPATIONS LIST DEVELOPED BY THE DEPARTMENT OF LABOR AND
29 INDUSTRY; AND

30 (2) REQUIRES A CREDENTIAL, CERTIFICATION, LICENSING,

1 POSTSECONDARY TRAINING, AN ASSOCIATE'S DEGREE, A MASTER'S
2 DEGREE OR A DOCTORAL OR FIRST PROFESSIONAL DEGREE.

3 "Institution of higher education." An accredited entity
4 located in this Commonwealth which is any of the following:

5 (1) A community college operating under Article XIX-A.

6 (2) A university within the State System of Higher
7 Education.

8 (3) The Pennsylvania State University, the University of
9 Pittsburgh, Temple University, Lincoln University or any
10 other institution designated as State-related by the
11 Commonwealth.

12 (4) The Thaddeus Stevens College of Technology.

13 (5) A college established under Article XIX-G.

14 (6) An institution of higher education located in and
15 incorporated or chartered by the Commonwealth and entitled to
16 confer degrees as specified in 24 Pa.C.S. § 6505 (relating to
17 power to confer degrees) and as provided for by the standards
18 and qualifications prescribed by the State Board of Education
19 under 24 Pa.C.S. Ch. 65 (relating to private colleges,
20 universities and seminaries).

21 (7) A private school licensed under the act of December
22 15, 1986 (P.L.1585, No.174), known as the Private Licensed
23 Schools Act.

24 (8) A foreign corporation approved to operate an
25 educational enterprise under 22 Pa. Code Ch. 36 (relating to
26 foreign corporation standards).

27 "Nonpublic school." A nonprofit school, other than a public
28 school within this Commonwealth, at which a resident of this
29 Commonwealth may legally fulfill the compulsory school
30 attendance requirements of this act and which meets the

1 applicable requirements of Title VI of the Civil Rights Act of
2 1964 (Public Law 88-352, 78 Stat. 241).

3 "Parent." An individual who:

4 (1) is a resident of this Commonwealth; and

5 (2) either:

6 (i) has legal custody or guardianship of a student;

7 or

8 (ii) keeps in the individual's home a student and

9 supports the student gratis as if the student were a

10 lineal descendant of the individual.

11 "Pass-through entity." A partnership as defined in section
12 301(n.0) of the Tax Reform Code of 1971, a single-member limited
13 liability company treated as a disregarded entity for Federal
14 income tax purposes or a Pennsylvania S corporation as defined
15 in section 301(n.1) of the Tax Reform Code of 1971. The term
16 includes a pass-through entity that owns an interest in a pass-
17 through entity.

18 "Program." The Career and Technical Education Partnership
19 Tax Credit Program established under this article.

20 "Public school." A public elementary school or a public
21 secondary school at which a resident of this Commonwealth may
22 legally fulfill the compulsory school attendance requirements of
23 this act and which meets the applicable requirements of Title VI
24 of the Civil Rights Act of 1964.

25 "Recipient." An applicant who receives a scholarship.

26 "Regional charter school." As defined in section 1703-A.

27 "Scholarship." An award under a scholarship program.

28 "Scholarship program." A program to pay school-related fees
29 for eligible students to attend a school, area career and
30 technical education school, charter school, regional charter

1 ~~school, cyber charter school~~ or institution of higher education <--
2 ~~located in this Commonwealth. The following shall apply:~~ <--

3 ~~(1) A scholarship program must include an application~~
4 ~~and review process for the purpose of making awards to~~
5 ~~eligible students.~~

6 ~~(2) Scholarships to eligible students shall be made~~ <--
7 ~~without limiting availability to only students of one school,~~
8 ~~area career and technical education school, charter school,~~
9 ~~regional charter school, cyber charter school or institution~~
10 ~~of higher education.~~

11 "School." A public or nonpublic secondary school at which a
12 resident of this Commonwealth may legally fulfill the compulsory
13 school attendance requirements of this act and which meets the
14 applicable requirements of Title VI of the Civil Rights Act of
15 1964.

16 "School-related fees." Tuition and fees normally assessed a
17 student carrying an academic or certification workload as
18 determined by the school, area career and technical education
19 school, charter school, regional charter school, ~~cyber charter~~ <--
20 ~~school~~ or institution of higher education and including costs
21 for rental or purchase of equipment, materials or supplies
22 required of all students in that course of study.

23 "Secondary school." A school with an eleventh grade.

24 "Student." An individual who meets all of the following:

25 (1) Is registered for grades nine through 12.
26 (2) Is a resident of this Commonwealth.
27 (3) Attends or is about to attend a public school, area
28 career and technical education school, charter school,
29 regional charter school, ~~cyber charter school~~ or institution <--
30 of higher education.

1 "Tax Reform Code of 1971." The act of March 4, 1971 (P.L.6,
2 No.2), known as the Tax Reform Code of 1971.

3 Section 2003-H. Qualification and application by organizations.

4 (a) Establishment.--In accordance with section 14 of Article
5 III of the Constitution of Pennsylvania, the Career and
6 Technical Education Partnership Tax Credit Program is
7 established to expand access to high-career and technical
8 education by encouraging private investment in education, career
9 and technical education programs and the repair, upkeep,
10 replacement and upgrading of industry-grade materials and
11 instructional equipment AS APPROVED BY PARTICIPATING SCHOOLS <--
12 UNDER SECTION 2009-H.

13 (b) Information.--To qualify under this article, a career
14 and technical partnership organization must submit information
15 to the department that enables the department to confirm that
16 the organization is exempt from taxation under section 501(c)(3)
17 of the Internal Revenue Code of 1986 (Public Law 99-514, 26
18 U.S.C. § 1 et seq.).

19 (c) Certification.--

20 (1) By September 1, 2019, and each September 1
21 thereafter, a career and technical partnership organization
22 must certify to the department that the organization is
23 eligible to participate in the program and must report the
24 following information to the department:

25 (i) The number of scholarships awarded during the
26 immediately preceding school year to eligible students.

27 (ii) The total and average amounts of the
28 scholarships awarded during the immediately preceding
29 school year to eligible students.

30 (iii) Where the career and technical partnership

1 organization collects information on a county-by-county
2 basis, the total number and the total amount of
3 scholarships awarded during the immediately preceding
4 school year to residents of each county in which the
5 scholarships were awarded.

6 (iv) The total number of scholarship applications
7 processed and the amounts of any application fees
8 charged, either per scholarship application or in the
9 aggregate through a third-party processor.

10 (v) The name of any career and technical education
11 program and the total amount of the contribution made to
12 those programs during the immediately preceding school
13 year.

14 (vi) A description of how each contribution was
15 utilized during the immediately preceding school year and
16 a description of vocational and technical education
17 programs through a coherent sequence of courses to ensure
18 learning in career and technical education and entry into
19 a high-demand occupation.

20 (vii) The name of each school, area career and
21 technical education school, charter school, regional
22 charter school, ~~cyber charter school~~ or institution of <--
23 higher education that works with high technology
24 industries to offer voluntary internships and mentoring
25 programs.

26 (viii) The name of each school, area career and
27 technical education school, charter school, regional
28 charter school, ~~cyber charter school~~ or institution of <--
29 higher education where career and technical programs that
30 received contributions during the immediately preceding

1 school year were implemented.

2 (ix) Where the career and technical partnership
3 organization collects information on a county-by-county
4 basis, the total number and the total amount of
5 contributions made during the immediately preceding
6 school year for programs at schools, institutions of
7 higher education and career and technical schools in each
8 county in which the contributions were made.

9 (X) THE CREDENTIAL EARNED BY EACH STUDENT USING A <--
10 SCHOLARSHIP, INCLUDING, BUT NOT LIMITED TO, A
11 CERTIFICATE, INDUSTRY CERTIFICATION OR STATE LICENSE, AND
12 THE INDUSTRY OR OCCUPATION TO WHICH THE CREDENTIAL IS
13 LINKED.

14 ~~(x)~~ (XI) The organization's Federal Form 990 or <--
15 other Federal form indicating the tax status of the
16 organization for Federal tax purposes, if any, and a copy
17 of a compilation, review or audit of the organization's
18 financial statements conducted by a certified public
19 accounting firm.

20 (2) The information required under paragraph (1) shall
21 be submitted on a form provided by the department. By
22 September 1, 2019, and each September 1 thereafter, the
23 department shall distribute sample forms, together with the
24 forms on which the reports are required to be made, to each
25 listed career and technical partnership organization.

26 (3) The department may not require any other information
27 to be provided by career and technical partnership
28 organizations, except as expressly authorized in this
29 article.

30 (4) The department shall consult with the Department of

1 Education and the Department of Labor and Industry.

2 (5) A career and technical partnership organization that
3 does not meet the requirements of this article shall not be
4 eligible to participate in the program.

5 Section 2004-H. Application by business firms.

6 (a) Application.--A business firm may apply to the
7 department for a tax credit for contributions to a career and
8 technical partnership organization under section 2005-H. A
9 business firm shall receive a tax credit under this article if
10 the career and technical partnership organization that receives
11 the contribution appears on the list established under section
12 2007-H, subject to the limitations in sections 2005-H and 2006-
13 H.

14 (b) Availability of tax credits.--Tax credits under this
15 article shall be made available by the department on a first-
16 come, first-served basis within the limitation established under
17 section 2006-H(a).

18 (c) Contributions.--A contribution by a business firm to a
19 career and technical partnership organization shall be made no
20 later than 60 days following the approval of an application
21 under subsection (a) or (b).

22 Section 2005-H. Tax credits.

23 (a) Business firm.--In accordance with section 2006-H, the
24 Department of Revenue shall grant a tax credit against any
25 applicable tax to a business firm providing proof of a
26 contribution to a career and technical partnership organization
27 in the taxable year in which the contribution is made in
28 accordance with the following:

29 (1) The tax credit shall not exceed 75% of the total
30 amount contributed during the taxable year by the business

1 firm.

2 (2) Except as provided under subsection (g), for fiscal
3 year 2018-2019, and each fiscal year thereafter, the tax
4 credit shall not exceed \$750,000 annually per business firm
5 for contributions made to career and technical partnership
6 organizations.

7 (b) Additional amount.--In accordance with section 2006-H,
8 the Department of Revenue shall grant a tax credit of up to 90%
9 of the total amount contributed during the taxable year if the
10 business firm provides a written commitment to provide the
11 career and technical partnership organization with the same
12 amount of contribution for two consecutive tax years. The
13 business firm must provide the written commitment under this
14 subsection to the department at the time of application.

15 (c) Restriction on applicability of credits.--No credits
16 granted under this section shall be applied against tax withheld
17 by an employer from an employee under Article III of the Tax
18 Reform Code of 1971.

19 (d) Time of application for credits.--

20 (1) Except as provided in paragraph (2), the department
21 may accept applications for tax credits available during a
22 fiscal year no earlier than July 1 of each fiscal year.

23 (2) The application of a business firm for tax credits
24 available during a fiscal year as part of the second year of
25 a two-year commitment or as a renewal of a two-year
26 commitment which was fulfilled in the previous fiscal year
27 may be accepted no earlier than May 15 preceding the fiscal
28 year.

29 (e) Approval of tax credits.--Unless otherwise requested by
30 the business firm and agreed to by both the business firm and

1 the department, and unless all authorized credits have already
2 been awarded, for fiscal year 2019-2020, and each fiscal year
3 thereafter, the department shall give written notice of its
4 approval to each business firm that submitted a completed
5 application under subsection (d) within 30 days following
6 receipt of the completed application.

7 (f) Waiting list.--The department shall maintain a waiting
8 list consisting of each business firm which chooses to be
9 included on the list and whose application has not been approved
10 because all available tax credits have been awarded. A business
11 firm that was not awarded a tax credit due to a lack of
12 available tax credits shall be notified of and offered a place
13 on the waiting list. When tax credits become available, the
14 department shall award the tax credits to the business firms in
15 the order in which the business firms were placed on the waiting
16 list.

17 (g) Temporary increase in maximum tax credits available.--

18 (1) If all tax credits authorized under this article for
19 contributions to career and technical partnership
20 organizations have not been awarded as of October 1 of a
21 fiscal year, then for applications accepted by the department
22 from October 1 through November 30 of that fiscal year, the
23 limitations specified in subsection (a) shall not apply.
24 Under this paragraph, the department may accept applications
25 under section 2004-H from October 1 through November 30 from
26 a business firm, including a business firm that already
27 applied for the maximum tax credits available under
28 subsections (a) and (d), which may apply under section 2004-
29 H(a) for up to the total amount of tax credits remaining
30 available for contributions to career and technical

1 partnership organizations for the fiscal year as specified in
2 section 2006-H(a).

3 (2) The provisions of subsection (b) shall not apply to
4 applications for tax credits made under this subsection. Tax
5 credits awarded under this subsection shall not exceed 75% of
6 the total amount contributed during the taxable year by a
7 business firm pursuant to an application filed under this
8 subsection.

9 (3) Prior to the award of tax credits applied for under
10 this subsection, the department shall first award tax credits
11 applied for by a business firm during the period October 1
12 through November 30 in an amount no greater than the maximum
13 amount of tax credits for which a business firm is eligible
14 under subsection (a). The tax credits shall be awarded on a
15 first-come, first-served basis as set forth in section 2004-
16 H(c).

17 Section 2006-H. Limitations.

18 (a) Amount.--

19 ~~(1) The total aggregate amount of all tax credits~~ <--
20 ~~approved for contributions from business firms to career and~~
21 ~~technical partnership organizations shall not exceed~~
22 ~~\$15,000,000 in a fiscal year.~~

23 ~~(2) Beginning July 1, 2019, the department shall~~
24 ~~automatically increase the tax credit amount by \$5,000,000 if~~
25 ~~the amount used in the prior fiscal year is equal to or~~
26 ~~greater than 90% of the tax credit amount under paragraph~~
27 ~~(1). The department shall immediately submit notice of the~~
28 ~~increased dollar amounts to the Legislative Reference Bureau,~~
29 ~~which shall publish the notice in the Pennsylvania Bulletin.~~

30 (1) SUBJECT TO PARAGRAPH (2), THE TOTAL AGGREGATE AMOUNT <--

1 OF ALL TAX CREDITS APPROVED FOR CONTRIBUTIONS FROM BUSINESS
2 FIRMS TO CAREER AND TECHNICAL PARTNERSHIP ORGANIZATIONS SHALL
3 NOT EXCEED \$15,000,000 IN A FISCAL YEAR.

4 (2) BEGINNING JULY 1, 2019, AND EACH JULY 1 THEREAFTER,
5 THE DEPARTMENT SHALL AUTOMATICALLY INCREASE THE TAX CREDIT
6 AMOUNT BY \$5,000,000 IF THE AMOUNT USED IN THE PRIOR FISCAL
7 YEAR IS EQUAL TO OR GREATER THAN 90% OF THE TOTAL TAX CREDIT
8 AMOUNT APPROVED IN THE PRIOR FISCAL YEAR OR THE AMOUNT
9 PUBLISHED BY THE LEGISLATIVE REFERENCE BUREAU UNDER
10 SUBPARAGRAPHS (I) AND (II). THE FOLLOWING SHALL APPLY:

11 (I) THE DEPARTMENT SHALL IMMEDIATELY SUBMIT NOTICE
12 OF THE INCREASED DOLLAR AMOUNTS TO THE LEGISLATIVE
13 REFERENCE BUREAU.

14 (II) THE LEGISLATIVE REFERENCE BUREAU SHALL PUBLISH
15 THE NOTICE IN THE PENNSYLVANIA BULLETIN.

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

19 (c) Tax liability.--

20 (1) Except as provided in paragraph (2), a tax credit
21 granted for any one taxable year may not exceed the tax
22 liability of a business firm.

23 (2) In the case of a credit granted to a pass-through
24 entity which elects to distribute the credit under this
25 article, a tax credit granted for any one taxable year and
26 distributed to a shareholder, member or partner may not
27 exceed the tax liability of the shareholder, member or
28 partner.

29 (d) Use.--A tax credit not used by the applicant in the
30 taxable year the contribution was made or in the year designated

1 by the shareholder, member or partner to whom the credit was
2 transferred under this article may not be carried forward or
3 carried back and is not refundable or transferable.

4 (e) Nontaxable income.--A scholarship received by an
5 eligible student shall not be considered to be taxable income
6 for the purposes of Article III of the Tax Reform Code of 1971.

7 (f) Financial assistance.--A scholarship received by a
8 recipient shall not impact an appropriation, education funding
9 or other financial assistance received by the school which is
10 attended by the recipient.

11 Section 2007-H. Lists.

12 By June 30, 2019, and each June 30 thereafter, the Department
13 of Revenue shall provide a list of all career and technical
14 partnership organizations receiving contributions from business
15 firms granted a tax credit under this article to the General
16 Assembly.

17 Section 2008-H. Guidelines.

18 Within 90 days of the effective date of this section, in
19 consultation with the Department of Education and the Department
20 of Labor and Industry, the department shall develop guidelines
21 to determine the eligibility of a career and technical education
22 program.

23 Section 2009-H. School participation in program.

24 (a) Election.--By February 15, 2019, and each February 15
25 thereafter, a school, area career and technical education
26 school, charter school, regional charter school, ~~cyber charter~~ <--
27 school or institution of higher education may elect to
28 participate in the program for the following school year.

29 (b) Notice.--

30 (1) A school, area career and technical education

1 school, charter school, regional charter school, cyber
2 charter school or institution of higher education that elects
3 to participate under subsection (a) must notify the
4 Department of Education of the intent to participate.

5 (2) For a school district, the notice under paragraph
6 (1) must be submitted on a form developed by the Department
7 of Education and shall specify all of the following:

8 (i) Each school within the school district which the
9 school district intends to make a participating public
10 school.

11 (ii) The amount of tuition and school-related fees
12 attributable to each available seat. The amount under
13 this subparagraph shall not exceed the amount calculated
14 under section 2561.

15 (3) For a nonpublic school, area career and technical
16 education school, charter school, regional charter school, <--
17 ~~cyber charter school~~ or institution of higher education, the
18 notice under paragraph (1) must be submitted on a form
19 developed by the Department of Education and shall specify
20 the amount of tuition and school-related fees attributable to
21 an available seat. The amount under this paragraph shall not
22 exceed the amount calculated under section 2561. THAT A <--
23 SCHOOL UNDER THIS PARAGRAPH WOULD HAVE CHARGED TO A STUDENT
24 WHO HAD NOT RECEIVED A SCHOLARSHIP UNDER THIS ARTICLE. FOR
25 THE AMOUNTS RECEIVED IN A SCHOLARSHIP, THE RESIDENT SCHOOL
26 DISTRICT IS NOT LIABLE FOR SCHOOL PAYMENT.

27 (c) Tuition rates.--

28 (1) No school district of a participating public school,
29 participating nonpublic school, area career and technical
30 education school, charter school, regional charter school, <--

1 cyber charter school or institution of higher education may
2 charge a recipient a higher tuition rate or school-related
3 fee than the school district of the participating public
4 school, participating nonpublic school, area career and
5 technical education school, charter school, regional charter
6 school, ~~cyber charter school~~ or institution of higher <--
7 education would have charged to a similarly situated student
8 who is not receiving a scholarship.

9 (2) Notwithstanding the provisions of section 2561, a
10 school district of a participating public school may charge a
11 recipient a tuition rate that is lower than that charged to
12 students who are not recipients of scholarships.

13 (d) Participating public school criteria.--The following
14 criteria apply to a participating public school:

15 (1) Except as otherwise provided in this article, a
16 school district shall enroll students in a participating
17 public school on a lottery basis from a pool of recipients
18 who meet the application deadline set by the Department of
19 Education until the participating public school fills the
20 school's available seats. The pool may not include a
21 recipient who:

22 (i) Has been expelled or is in the process of being
23 expelled under section 1317.2 or 1318 and applicable
24 regulations of the State Board of Education.

25 (ii) Has been recruited by the school district or
26 its representatives for athletic purposes.

27 (2) The enrollment of recipients may not place the
28 school district in violation of a valid and binding
29 desegregation order.

30 (3) Priority shall be given to:

1 (i) An existing recipient.

2 (ii) A recipient who is a sibling of a student
3 currently enrolled in the school district.

4 (e) Participating entity criteria.--The following criteria
5 shall apply:

6 (1) The participating nonpublic school, area career and
7 technical education school, charter school, regional charter
8 school, ~~cyber charter school~~ or institution of higher <--
9 education may not discriminate on a basis which is illegal
10 under Federal or State laws applicable to nonpublic schools.

11 (2) The participating nonpublic school, area career and
12 technical education school, charter school, regional charter
13 school, ~~cyber charter school~~ or institution of higher <--
14 education shall comply with section 1521.

15 (3) The participating nonpublic school, area career and
16 technical education school, charter school, regional charter
17 school, ~~cyber charter school~~ or institution of higher <--
18 education may not recruit a student for athletic purposes.

19 (f) Student rules, policies and procedures.--

20 (1) Prior to enrollment of a recipient, a school
21 district of a participating public school, participating
22 nonpublic school, participating area career and technical
23 education school, participating charter school, participating
24 regional charter school, ~~participating cyber charter school~~ <--
25 or participating institution of higher education shall inform
26 the parent of a recipient of each rule, policy and procedure
27 of the participating public school, participating nonpublic
28 school, participating area career and technical education
29 school, participating charter school, participating regional
30 charter school, ~~participating cyber charter school~~ or <--

1 participating institution of higher education, including any
2 academic policy, disciplinary rule or administrative
3 procedure of the participating public school, participating
4 nonpublic school, participating area career and technical
5 education school, participating charter school, participating
6 regional charter school, ~~participating cyber charter school~~ <--
7 or participating institution of higher education.

8 (2) Enrollment of a recipient in a participating public
9 school, participating nonpublic school, participating area
10 career and technical education school, participating charter
11 school, participating regional charter school, ~~participating~~ <--
12 ~~cyber charter school~~ or participating institution of higher
13 education shall constitute acceptance of any rule, policy or
14 procedure of the participating public school, participating
15 nonpublic school, participating area career and technical
16 education school, participating charter school, participating
17 regional charter school, ~~participating cyber charter school~~ <--
18 or participating institution of higher education.

19 (g) Transportation.--

20 (1) Transportation of recipients of school age, as
21 defined in section 2002-B, shall be provided under section
22 1361.

23 (2) Reimbursement shall be as follows:

24 (i) Transportation of a recipient of school age, as
25 defined in section 2002-B, attending a participating
26 public school shall be subject to reimbursement under
27 section 2541.

28 (ii) Transportation of a recipient of school age, as
29 defined in section 2002-B, attending a participating
30 nonpublic school, participating area career and technical

1 education school, participating charter school,
2 participating regional charter school, ~~participating~~ <--
3 ~~cyber charter school~~ or participating institution of
4 higher education shall be subject to reimbursement under
5 sections 2509.3 and 2541.

6 (h) Construction.--Nothing in this article shall be
7 construed to:

8 (1) Prohibit a participating nonpublic school from
9 limiting admission to a particular grade level, a single
10 gender or areas of concentration of the participating
11 nonpublic school, including mathematics, science and the
12 arts.

13 (2) Authorize the Commonwealth or any of its agencies,
14 officers or political subdivisions to impose additional
15 requirements on a participating nonpublic school which are
16 not otherwise authorized under the laws of this Commonwealth
17 or to require a participating nonpublic school to enroll a
18 recipient if the participating nonpublic school does not
19 offer appropriate programs or is not structured or equipped
20 with the necessary facilities to meet the special needs of
21 the recipient or does not offer a particular program
22 requested.

23 Section 2010-H. Scholarships.

24 (a) Notice.--By February 1, 2019, and each February 1
25 thereafter, the department shall provide all career and
26 technical partnership organizations with a list of each
27 participating public school, area career and technical education
28 school, charter school, regional charter school, ~~cyber charter~~ <--
29 school or institution of higher education in this Commonwealth
30 located within each county.

1 (b) Award.--

2 (1) A career and technical partnership organization may
3 award a scholarship to an eligible student who plans to
4 enroll in the upcoming school year at a participating public
5 school, area career and technical education school, charter
6 school, regional charter school, ~~cyber charter school~~ or <--
7 institution of higher education in this Commonwealth
8 providing career and technical education selected by the
9 parent or guardian of the applicant.

10 (2) If an eligible student who received a scholarship
11 for the prior school year resides within the attendance
12 boundary of a participating public school, area career and
13 technical education school, charter school, regional charter
14 school, ~~cyber charter school~~ or institution of higher <--
15 education in this Commonwealth that was removed from the list
16 provided by the department under subsection (a), the eligible
17 student may receive a scholarship.

18 (3) The scholarship may be for each year of enrollment
19 in a participating public school, area career and technical
20 education school, charter school, regional charter school, <--
21 ~~cyber charter school~~ or institution of higher education for
22 up to five years or until the eligible student reaches 23
23 years of age, whichever occurs first, if the applicant
24 otherwise remains eligible.

25 (4) In awarding scholarships, a career and technical
26 partnership organization shall give preference to any of the
27 following:

28 (i) An eligible student who received a scholarship
29 for the prior school year.

30 (ii) An eligible student who would like to enroll in

1 a participating public school, area career and technical
2 education school, charter school, OR regional charter <--
3 school or cyber charter school with a waiting list. <--

4 (iii) An eligible student participating in dual
5 enrollment programs that meet the requirements of the
6 law.

7 (iv) An eligible student enrolled in courses that
8 will result in employment in a high-demand occupation.

9 (c) Home schooling.--A career and technical partnership
10 organization shall not award a scholarship to an applicant for
11 enrollment in a home education program under section 1327.1.
12 Section 2011-H. Carryover, carryback, refund and assignment.

13 (a) Carryover.--If a taxpayer cannot use the entire amount
14 of the tax credit for the taxable year in which the taxpayer is
15 eligible for the credit, the excess may be carried over to
16 succeeding taxable years and used as a credit against the
17 taxpayer's tax liability for those taxable years. Each time that
18 the tax credit is carried over to a succeeding taxable year it
19 shall be reduced by the amount of tax credits claimed during the
20 immediately preceding taxable year. The tax credits awarded
21 under this act may not be utilized for tax years beginning after
22 December 31, 2020.

23 (b) Carryback or refund.--A taxpayer may not be entitled to
24 carry back or obtain a refund of an unused tax credit.

25 (c) Sale or assignment.--A taxpayer, upon application to and
26 approval by the Department of Revenue, may sell or assign, in
27 whole or in part, a tax credit granted to the taxpayer under
28 this article if the taxpayer does not have a tax liability
29 against which the tax credit may be applied in a taxable year in
30 which the tax credit is permitted to be claimed. The Department

1 of Revenue shall establish guidelines for the approval of an
2 application under this subsection. Before an application is
3 approved, the Department of Revenue shall make a finding that
4 the taxpayer and its assignee have filed the required State tax
5 reports and returns for the taxable years and paid any balance
6 of State tax due as determined by the Department of Revenue.

7 (d) Purchaser and assignee.--The purchaser or assignee of a
8 tax credit under subsection (c) shall immediately claim the
9 credit against its tax liability in the taxable year in which
10 the purchase or assignment is made. The purchaser or assignee
11 may not carry back, carry forward or obtain a refund of or sell
12 or assign the tax credit. The purchaser or assignee shall notify
13 the Department of Revenue of the seller or assignor of the tax
14 credit in compliance with procedures specified by the Department
15 of Revenue.

16 Section 2012-H. Original jurisdiction.

17 The Pennsylvania Supreme Court shall have exclusive and
18 original jurisdiction to hear a challenge or to render a
19 declaratory judgment concerning the constitutionality of this
20 article. The Pennsylvania Supreme Court may take an action as
21 the court deems appropriate, consistent with the Pennsylvania
22 Supreme Court's retaining jurisdiction over the matter, to find
23 facts or to expedite a final judgment in connection with a
24 challenge or request for declaratory relief.

25 Section 2013-H. Annual report to General Assembly.

26 (a) Submittal.--

27 (1) No later than June 1, 2019, and September 1 of each
28 year thereafter, the Secretary of Community and Economic
29 Development shall submit a report to the General Assembly
30 summarizing the effectiveness of the tax credits provided by

1 this article.

2 (2) The report shall be submitted to all of the
3 following:

4 (i) The chairperson and minority chairperson of the
5 Appropriations Committee of the Senate.

6 (ii) The chairperson and minority chairperson of the
7 Education Committee of the Senate.

8 (iii) The chairperson and minority chairperson of
9 the Appropriations Committee of the House of
10 Representatives.

11 (iv) The chairperson and minority chairperson of the
12 Education Committee of the House of Representatives.

13 (b) Contents.--The report shall include the following
14 information:

15 (1) The amount of tax credits claimed for contributions
16 to a career and technical partnership organization during the
17 fiscal year.

18 (2) A funding evaluation of the program and
19 recommendations.

20 Section 2. Within 10 days of the development of the
21 guidelines under section 2008-H of the act, the Department of
22 Community and Economic Development shall provide notice of the
23 development of the guidelines to the Legislative Reference
24 Bureau, which shall publish the notice in the Pennsylvania
25 Bulletin.

26 Section 3. The addition of Article XX-H of the act shall
27 apply to taxable years commencing after December 31, 2018.

28 Section 4. This act shall take effect as follows:

29 (1) The following shall take effect immediately:

30 (i) This section.

1 (ii) Section 2 of this act.

2 (iii) Section 3 of this act.

3 (iv) The addition of sections 2001-H, 2002-H and
4 2008-H of the act.

5 (2) The remainder of this act shall take effect 30 days
6 after publication in the Pennsylvania Bulletin of the notice
7 under section 2 of this act.