AMENDMENTS TO HOUSE BILL NO. 1189

Sponsor: REPRESENTATIVE PEIFER

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Amend Bill, page 1, lines 1 through 17; page 2, lines 1 through 30; page 3, lines 1 through 9; by striking out all of said lines on said pages and inserting

Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An act relating to tax reform and State taxation by codifying and enumerating certain subjects of taxation and imposing taxes thereon; providing procedures for the payment, collection, administration and enforcement thereof; providing for tax credits in certain cases; conferring powers and imposing duties upon the Department of Revenue, certain employers, fiduciaries, individuals, persons, corporations and other entities; prescribing crimes, offenses and penalties," providing for volunteer emergency responders employment tax credit.

Amend Bill, page 3, lines 12 through 30; pages 4 through 15, lines 1 through 30; page 16, lines 1 through 21; by striking out all of said lines on said pages and inserting

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

ARTICLE XVII-L

VOLUNTEER EMERGENCY RESPONDERS EMPLOYER TAX CREDIT

Section 1701-L. Scope of article.

This article relates to the volunteer responders employment tax credit.

Section 1702-L. 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:

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

"Line of duty." Going to, coming from or during fire prevention and safety activities, including fire prevention, first aid, rescue and salvage, ambulance service, fire police

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work, assistance at accidents, control of crowds both on the
fire grounds and at occasions of public or general assembly,
animal rescue, abatement of conditions due to storm, flood or
general peril, abatement or removal of hazards to safety and
other activities as are commonly undertaken by fire companies,
ambulance services or rescue squads or affiliated organizations.

"Qualified tax liability." The liability for taxes imposed
under Article III, IV, VI, VII, VIII, IX or XV. The term shall
not include tax withheld by an employer from an employee under
Article III.

"Tax credit." The volunteer emergency responders employer
tax credit provided under this article.

"Taxpayer." A person that has a qualified tax liability as
defined in this article.

"Volunteer emergency responder." A member of a volunteer
emergency service organization who is in the employ of the
Commonwealth, a political subdivision or an employer.

"Volunteer emergency service organization." An organization
that is a volunteer fire company, volunteer ambulance service or
volunteer rescue company, as those terms are defined in 35
Pa.C.S. (relating to Health and Safety), or volunteer hazardous
material response team.

Section 1703-L. Volunteer responders employer tax credit.

(a) Application.--A taxpayer may apply to the department for
a tax credit under this section. The application shall be
submitted on the form required by the department and shall
include all of the following information:

(1) The name and address of the taxpayer.

(2) Documentation of the following for each eligible
volunteer emergency responder in which a tax credit is being
claimed:

(i) The name of the volunteer emergency responder;

(ii) The address of the volunteer emergency
responder;

(iii) The number of hours the volunteer emergency
responder missed work due to serving in the line of duty;

and

(iv) The amount of wages paid to the volunteer
emergency responder during missed work due to serving in
the line of duty.

(3) Any other information required by the department.

(b) Review and approval.--The department shall:

(1) Review and approve applications according to the
order applications are received and the availability of tax
credits.

(2) Notify an applicant within 30 days of receipt of the
application of the department's determination.

(c) Certificate.--Upon approval of an application, the
department shall award the taxpayer a tax credit to be used
against qualified tax liabilities in accordance with this
article and issue the recipient a tax credit certificate.
Section 1704-L. Limitations.

(a) Amount.--A tax credit certificate issued under this section shall equal the least of the sum of wages paid to all the taxpayer's volunteer emergency responders during the taxable year in which the tax credit is being sought, 20% of a taxpayer's qualified tax liability or $10,000.

(b) Prohibition.--In granting tax credits, the department may not grant more than $5,000,000 in tax credit certificates in a fiscal year.

Section 1705-L. Carryover, carryback and sale or assignment of tax credit.

(a) General rule.--If the taxpayer cannot use the entire amount of the tax credit for the taxable year in which the taxpayer is eligible for the credit, the excess may be carried over to succeeding taxable years and used as a credit against the qualified tax liability of the taxpayer for those taxable years. Each time the tax credit is carried over to a succeeding taxable year, it shall be reduced by the amount that was used as a credit during the immediately preceding taxable year. The tax credit provided by this article may be carried over and applied to succeeding taxable years for no more than one taxable year following the first taxable year for which the taxpayer was entitled to claim the credit.

(b) Application.--A tax credit approved by the department in a taxable year shall first be applied against the taxpayer's qualified liability for the current taxable year as of the date on which the credit was approved before the tax credit can be applied against any tax liability under subsection (a).

(c) Limitations.--A taxpayer is not entitled to carry back, obtain a refund of, sell or assign an unused tax credit.

Section 1706-L. Department duties.

(a) Guidelines.--The department shall develop written guidelines necessary for the implementation and administration of this article. The guidelines shall be posted on the department's publicly accessible Internet website.

(b) Report to General Assembly.--

(1) No later than June 1, 2021, and each June 1 thereafter, the department shall submit a report on the effectiveness of the tax credits granted under this article. The report shall include the names of taxpayers who were issued tax credits as of the date of the report. The report may include recommendations for changes in the calculation or administration of the tax credits and other information as the department deems appropriate.

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

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

(ii) The chairperson and minority chairperson of the Finance Committee of the Senate.

(iii) The chairperson and minority chairperson of
the Appropriations Committee of the House of Representatives.
(iv) The chairperson and minority chairperson of the Finance Committee of the House of Representatives.

Section 1707-L. Applicability. This article shall apply to taxable years beginning after December 31, 2019.

Amend Bill, page 16, line 22, by striking out "3" and inserting 2.