

AMENDMENTS TO HOUSE BILL NO. 377

Sponsor: REPRESENTATIVE SAYLOR

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1 Amend Title, page 1, line 11, by removing the period after
2 "poverty" and inserting

3 ; and repealing, in research and development tax
4 credit, time limitation, limitation on credits and
5 termination.

6 Amend Bill, page 2, by inserting between lines 26 and 27

7 Section 2. Section 1707-B of the act, amended July 12, 2006
8 (P.L.1137, No.116), is repealed:

9 [Section 1707-B. Time Limitations.--A taxpayer is not
10 entitled to a research and development tax credit for
11 Pennsylvania qualified research and development expenses
12 incurred in taxable years ending after December 31, 2015. The
13 termination date in section 41(h) of the Internal Revenue Code
14 of 1986 (Public Law 99-514, 26 U.S.C. § 41(h)) does not apply to
15 a taxpayer who is eligible for the research and development tax
16 credit under this article for the taxable year in which the
17 Pennsylvania qualified research and development expense is
18 incurred.]

19 Section 3. Section 1709-B of the act, amended or added May
20 7, 1997 (P.L.85, No.7) and July 12, 2006 (P.L.1137, No.116), is
21 repealed:

22 [Section 1709-B. Limitation on Credits.--(a) The total
23 amount of credits approved by the department shall not exceed
24 forty million dollars (\$40,000,000) in any fiscal year. Of that
25 amount, eight million dollars (\$8,000,000) shall be allocated
26 exclusively for small businesses. However, if the total amounts
27 allocated to either the group of applicants exclusive of small
28 businesses or the group of small business applicants is not
29 approved in any fiscal year, the unused portion will become
30 available for use by the other group of qualifying taxpayers.

31 (b) If the total amount of research and development tax
32 credits applied for by all taxpayers, exclusive of small
33 businesses, exceeds the amount allocated for those credits, then
34 the research and development tax credit to be received by each
35 applicant shall be the product of the allocated amount
36 multiplied by the quotient of the research and development tax
37 credit applied for by the applicant divided by the total of all
38 research and development credits applied for by all applicants,
39 the algebraic equivalent of which is:

40 taxpayer's research and development tax credit=amount

1 allocated for those credits X (research and development
2 tax credit applied for by the applicant/total of all
3 research and development tax credits applied for by all
4 applicants).

5 (c) If the total amount of research and development tax
6 credits applied for by all small business taxpayers exceeds the
7 amount allocated for those credits, then the research and
8 development tax credit to be received by each small business
9 applicant shall be the product of the allocated amount
10 multiplied by the quotient of the research and development tax
11 credit applied for by the small business applicant divided by
12 the total of all research and development credits applied for by
13 all small business applicants, the algebraic equivalent of which
14 is:

15 taxpayer's research and development tax credit=amount
16 allocated for those credits X (research and development
17 tax credit applied for by the small business/total of all
18 research and development tax credits applied for by all
19 small business applicants).]

20 Section 4. Section 1712-B of the act, amended July 12, 2006
21 (P.L.1137, No.116), is repealed:

22 [Section 1712-B. Termination.--The department shall not
23 approve a research and development tax credit under this article
24 for taxable years ending after December 31, 2015.]

25 Amend Sec. 2, page 2, line 27, by striking out "2" and
26 inserting

27 5

28 Amend Sec. 2, page 2, line 27, by striking out "immediately"
29 and inserting

30 July 1, 2008