

AMENDMENTS TO SENATE BILL NO. 288

Sponsor: SENATOR HUTCHINSON

Printer's No. 276

1 Amend Bill, page 1, lines 14 through 17, by striking out all
2 of said lines and inserting

3 Section 1. Section 407.7(a) and (d) of the act of March 4,
4 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, are
5 amended and the section is amended by adding a subsection to
6 read:

7 Amend Bill, page 1, line 22; page 2, line 1; by striking out
8 "one hundred" in line 22 on page 1 and "million dollars
9 (\$100,000,000)" in line 1 on page 2 and inserting
10 one million dollars (\$1,000,000)

11 Amend Bill, page 2, lines 4 through 30; page 3, lines 1
12 through 9; by striking out all of said lines on said pages and
13 inserting

14 (a.1) The qualified manufacturing innovation and
15 reinvestment deduction shall be applied to a taxpayer's taxable
16 income to reduce the taxpayer's liability following the
17 allocation and apportionment of income.

18 * * *

19 (d) (1.1) If the private capital investment is in excess of
20 one million dollars (\$1,000,000), but not more than ten million
21 dollars (\$10,000,000), the maximum allowable deduction shall be
22 equal to sixty-two and one-half per cent of the private capital
23 investment utilized in the creation of new or refurbished
24 manufacturing capacity. A taxpayer may utilize the deduction in
25 an amount not to exceed twelve and one-half per cent of the
26 private capital investment utilized in the creation of new or
27 refurbished manufacturing capacity in any one year of the
28 succeeding ten tax years immediately following the department's
29 satisfaction determination and the execution of a satisfaction
30 commitment letter, up to the maximum allowable deduction.

31 (1.2) If the private capital investment is in excess of ten
32 million dollars (\$10,000,000), but not more than sixty million
33 dollars (\$60,000,000), the maximum allowable deduction shall be

1 equal to fifty per cent of the private capital investment
2 utilized in the creation of new or refurbished manufacturing
3 capacity. A taxpayer may utilize the deduction in an amount not
4 to exceed ten per cent of the private capital investment
5 utilized in the creation of new or refurbished manufacturing
6 capacity in any one year of the succeeding ten tax years
7 immediately following the department's satisfaction
8 determination and the execution of a satisfaction commitment
9 letter, up to the maximum allowable deduction.

10 [(1.1)] (1.3) If the private capital investment is in
11 excess of sixty million dollars (\$60,000,000), but not more than
12 one hundred million dollars (\$100,000,000), the maximum
13 allowable deduction shall be equal to thirty-seven and one-half
14 per cent of the private capital investment utilized in the
15 creation of new or refurbished manufacturing capacity. A
16 taxpayer may utilize the deduction in an amount not to exceed
17 seven and one-half per cent of the private capital investment
18 utilized in the creation of new or refurbished manufacturing
19 capacity in any one year of the succeeding ten tax years
20 immediately following the department's satisfaction
21 determination and the execution of a satisfaction commitment
22 letter, up to the maximum allowable deduction.

23 [(1.2)] (1.4) If the private capital investment exceeds one
24 hundred million dollars (\$100,000,000), the maximum allowable
25 deduction shall be equal to twenty-five per cent of the private
26 capital investment utilized in the creation of new or
27 refurbished manufacturing capacity. A taxpayer may utilize the
28 deduction in an amount not to exceed five per cent of the
29 private capital investment utilized in the creation of new or
30 refurbished manufacturing capacity in any one year of the
31 succeeding ten tax years immediately following the department's
32 satisfaction determination and the execution of a satisfaction
33 commitment letter, up to the maximum allowable deduction.

34 (3) A taxpayer cannot use the deduction to reduce its tax
35 liability by more than fifty per cent of the tax liability under
36 this article for the taxable year. The deduction is
37 nontransferable and any unused portion in a tax year shall
38 expire at the end of the corresponding tax year.