

## 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

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

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

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

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