

AMENDMENTS TO HOUSE BILL NO. 181

Sponsor: REPRESENTATIVE R. MACKENZIE

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1 Amend Bill, page 1, lines 1 through 16; page 2, lines 1
2 through 19; by striking out all of said lines on said pages and
3 inserting

4 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
5 act relating to tax reform and State taxation by codifying
6 and enumerating certain subjects of taxation and imposing
7 taxes thereon; providing procedures for the payment,
8 collection, administration and enforcement thereof; providing
9 for tax credits in certain cases; conferring powers and
10 imposing duties upon the Department of Revenue, certain
11 employers, fiduciaries, individuals, persons, corporations
12 and other entities; prescribing crimes, offenses and
13 penalties," providing for paid family and medical leave tax
14 credit; and establishing the Family and Medical Leave Tax
15 Credit Program.

16 Amend Bill, page 2, lines 22 through 30; pages 3 through 30,
17 lines 1 through 30; page 31, lines 1 through 5; by striking out
18 all of said lines on said pages and inserting

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

22 ARTICLE XVII-M

23 PAID FAMILY AND MEDICAL LEAVE TAX CREDIT

24 Section 1701-M. Scope of article.

25 This article relates to paid family and medical leave tax
26 credits.

27 Section 1702-M. Definitions.

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

31 "Business firm." An entity authorized to do business in this
32 Commonwealth and subject to taxes imposed under Article III, IV,
33 VI, VII, VIII, IX or XV.

34 "Department." The Department of Community and Economic

1 Development of the Commonwealth.

2 "Federal family and medical leave tax credit." The tax
3 credit authorized under 26 U.S.C. § 45S (relating to employer
4 credit for paid family and medical leave).

5 Section 1703-M. Family and Medical Leave Tax Credit Program.

6 (a) Establishment.--The Family and Medical Leave Tax Credit
7 Program is established to supplement, not supplant, existing
8 Federal tax incentives for providing paid family and medical
9 leave to employees.

10 (b) Information.--To qualify for a tax credit under this
11 article, a business firm must submit information to the
12 department that enables the department to confirm the amount of
13 the Federal family and medical leave tax credit that the
14 business firm has received for providing paid family and medical
15 leave to employees in this Commonwealth.

16 (c) Application.--The following apply to an application for
17 a tax credit under this article that is submitted to the
18 department by a business firm:

19 (1) The application must account for the wages paid to
20 employees for which the business firm claimed the Federal
21 family and medical leave tax credit.

22 (2) The application must be on a form provided by the
23 department.

24 (3) The department shall consult with the United States
25 Internal Revenue Service as necessary to determine that the
26 business firm provides paid family and medical leave for
27 employees.

28 (4) The department shall review and approve or
29 disapprove the application.

30 (d) Notification.--The department shall notify the business
31 firm that the business firm meets the requirements under this
32 article for that fiscal year no later than 60 days after the
33 business firm has submitted the application required under this
34 section.

35 Section 1704-M. Availability of tax credits.

36 (a) Application and receipt.--A business firm may:

37 (1) Apply to the department for a tax credit in
38 accordance with section 1705-M.

39 (2) Receive a tax credit under this article equal to the
40 amount of the Federal family and medical leave tax credit
41 received for the most recently completed tax year.

42 (b) Limitations.--Tax credits under this section shall be
43 made available by the department on a first-come, first-served
44 basis within the limitation established under section 1706-M(a).

45 Section 1705-M. Grant of tax credits.

46 (a) Tax credit certificate.--In accordance with section
47 1706-M(a), the department shall grant a tax credit certificate.
48 The following apply:

49 (1) The certificate may be used against a tax liability
50 owed to the Commonwealth by a business firm that provides
51 proof of receipt of the Federal family and medical leave tax

1 credit in the taxable year in which the paid family and
2 medical leave was granted to an employee in this
3 Commonwealth.

4 (2) The business firm may apply the credit against any
5 tax due under Article III, IV, VI, VII, VIII, IX or XV,
6 excluding any tax withheld by an employer under Article III.

7 (b) Limitation.--The tax credit shall not exceed 100% of the
8 total amount of the Federal family and medical leave tax credit
9 received by a business firm for granting paid family and medical
10 leave to an employee in this Commonwealth for the taxable year
11 in which the paid family and medical leave was granted.

12 Section 1706-M. Amount of tax credits.

13 (a) Aggregate amount.--The total aggregate amount of all tax
14 credits approved under this article shall not exceed
15 \$100,000,000 in a fiscal year.

16 (b) Tax liability.--A tax credit granted for any one taxable
17 year may not exceed the tax liability of a business firm.

18 (c) Use.--A tax credit not used in the taxable year the paid
19 family and medical leave was granted to an employee in this
20 Commonwealth may not be carried forward or carried back and is
21 not refundable or transferable.

22 Section 1707-M. Guidelines.

23 The department, in conjunction with the Department of
24 Revenue, may establish guidelines as necessary to implement this
25 article.

26 Section 2. This act shall take effect in 60 days.