THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 246   Session of 2005

INTRODUCED BY GORDNER, THOMPSON, WONDERLING, VANCE, PICCOLA,
    CORMAN, WENGER, COSTA, SCARNATI, ROBBINS, O'PAKE, KASUNIC,
    PILEGGI, ORIE, WAUGH, KITCHEN, RHOADES, ERICKSON, M. WHITE,
    BOSCOLA, STACK, D. WHITE, RAFFERTY, PUNT, LOGAN AND
    C. WILLIAMS, FEBRUARY 10, 2005

REFERRED TO FINANCE, FEBRUARY 10, 2005

AN ACT

1   Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2   act relating to tax reform and State taxation by codifying
3   and enumerating certain subjects of taxation and imposing
4   taxes thereon; providing procedures for the payment,
5   collection, administration and enforcement thereof; providing
6   for tax credits in certain cases; conferring powers and
7   imposing duties upon the Department of Revenue, certain
8   employers, fiduciaries, individuals, persons, corporations
9   and other entities; prescribing crimes, offenses and
10   penalties," further providing for time limitations for the
11   research and development tax credit and for termination of
12   approval of the tax credit.

13   The General Assembly of the Commonwealth of Pennsylvania

14 hereby enacts as follows:

15   Section 1. Section 1707-B of the act of March 4, 1971

16 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended

17 June 29, 2002 (P.L.559, No.89), is amended to read:

18   Section 1707-B. Time Limitations.--[A taxpayer is not

19 entitled to a research and development tax credit for

20 Pennsylvania qualified research and development expenses

21 incurred in taxable years ending after December 31, 2006.] The

1   termination date in section 41(h) of the Internal Revenue Code

2   of 1986 (Public Law 99-514, 26 U.S.C. § 41(h)) does not apply to

3   a taxpayer who is eligible for the research and development tax

4   credit under this article for the taxable year in which the

5   Pennsylvania qualified research and development expense is

6   incurred.

7   Section 2. Section 1712-B of the act is repealed.

8   Section 3. This act shall take effect in 60 days.