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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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# HOUSE BILL

## No. 1408

Session of  
1981

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INTRODUCED BY WASS, GALLEN, PETRARCA, CLARK, A. K. HUTCHINSON,  
LIVENGOOD, W. W. FOSTER, PUNT, COCHRAN, DeVERTER, SPENCER,  
HASAY, STEVENS, GRIECO, D. R. WRIGHT, GALLAGHER, BURNS,  
GREENWOOD AND CLYMER, MAY 11, 1981

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REFERRED TO COMMITTEE ON BUSINESS AND COMMERCE, MAY 11, 1981

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AN ACT

1 Authorizing the Department of Revenue to grant tax credits to  
2 certain business entities which donate property to certain  
3 educational institutions.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. Definitions.

7 The following words and phrases when used in this act shall  
8 have, unless the context clearly indicates otherwise, the  
9 meanings given to them in this section:

10 "Business firm." Any business entity authorized to do  
11 business in the Commonwealth of Pennsylvania and subject to the  
12 Corporate Net Income Tax, or a bank, bank and trust company,  
13 insurance company, trust company, national bank, savings  
14 association, mutual savings bank or building and loan  
15 association.

16 "Department." The Department of Revenue.

17 "Institution." Any of the State-owned colleges and the

1 State-owned university.

2 "Property." Real property only.

3 Section 2. Credit qualifications.

4 (a) Any business firm which donates any real property to any  
5 institution shall be eligible to receive a tax credit pursuant  
6 to the provisions of this act.

7 (b) Before any business firm receives a tax credit the  
8 proposed donation of real property shall have been approved by  
9 the president of the institution or his or her designee and the  
10 Secretary of the Department of General Services or his or her  
11 designee shall have approved the donation. Before approval may  
12 be granted the respective officials shall have been satisfied  
13 that the institution has a current need for such property or  
14 will have a need in the near future.

15 Section 3. Tax credit.

16 (a) The department shall grant a tax credit against any tax  
17 due under Article IV of the act of March 4, 1971 (P.L.6, No.2),  
18 known as the "Tax Reform Code of 1971," or against any tax due  
19 from a bank, bank and trust company, trust company, insurance  
20 company, other than a foreign fire or casualty insurance  
21 company, national bank, savings association, mutual savings bank  
22 or building and loan association, under Article VII, Article  
23 VIII or Article IX of the "Tax Reform Code of 1971," or the act  
24 of June 22, 1964 (P.L.16, No.2), known as "The Mutual Thrift  
25 Institutions Tax Act," or any tax substituted in lieu thereof in  
26 an amount which shall not exceed 20% of the fair market value of  
27 the real property donated.

28 (b) The credit as provided for in subsection (a) shall not  
29 exceed the sum of \$175,000 annually.

30 (c) Any tax credit not used in the period the donation was

1 made may be carried over for the next three succeeding calendar  
2 or fiscal years until the full credit has been allowed.

3 (d) The total amount of all tax credits allowed pursuant to  
4 this act shall not exceed \$2,000,000 in any one fiscal year.

5 Section 4. Appraisals.

6 The business firm which makes a donation shall be responsible  
7 for obtaining two independent appraisals of the real property it  
8 wishes to donate, grant or convey to the institution. These  
9 shall be used by the department in ascertaining the fair market  
10 value of the donation for tax credit purposes.

11 Section 5. Effective date.

12 This act shall take effect on July 1, 1981.