
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 1768 Session of
1983

INTRODUCED BY WOZNIAK, LINTON, STEWART, FATTAH, LETTERMAN,
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KASUNIC, SEVENTY, DIETZ, McHALE, GRUITZA, WAMBACH, COWELL,
HALUSKA AND DeWEESE, DECEMBER 5, 1983

REFERRED TO COMMITTEE ON BUSINESS AND COMMERCE,
DECEMBER 5, 1983

AN ACT

1 Defining urban investment zones; providing for the designation
2 of such zones; providing exemptions from certain State and
3 local taxes for industrial enterprises conducted within an
4 urban investment zone; providing for grants by the
5 Commonwealth to industrial enterprises for hiring certain
6 persons; and making certain entities liable for the repayment
7 of benefits received.

8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 Section 1. Short title.

11 This act shall be known and may be cited as the Industrial
12 Urban Investment Zone Act.

13 Section 2. Definitions.

14 The following words and phrases when used in this act shall
15 have the meanings given to them in this section unless the
16 context clearly indicates otherwise:

17 "Department." The Department of Commerce.

18 "Industrial enterprise." An enterprise, which by virtue of

1 its size requires substantial capital and which by its nature
2 and size has created or will create substantial employment
3 opportunities. The term may include warehouse and terminal
4 facilities, research and development facilities and office
5 buildings utilized as National or regional headquarters or
6 computer or clerical operations centers, provided they require
7 substantial capital and have or will create substantial
8 employment opportunities.

9 "Municipality." A city, borough, incorporated town, township
10 or home rule municipality.

11 "Secretary." The Secretary of Commerce.

12 "Urban investment zone." Any area designated as an
13 "enterprise zone" by the Commonwealth.

14 Section 3. Establishment of urban investment zones.

15 (a) Designation.--Urban investment zones shall be
16 established through designation of an area by the Commonwealth
17 as an "enterprise zone."

18 (b) Duration.--An urban investment zone once having been
19 designated shall remain such a zone for a period of at least ten
20 years from the date of approval by the department after which
21 the department may remove designation of an area as an economic
22 investment zone if it no longer meets the criteria for
23 designation as such a zone.

24 (c) Zoning.--An urban investment zone shall not be
25 established unless industrial uses are permitted under the
26 applicable municipal zoning ordinance.

27 Section 4. Exemption from State taxation.

28 (a) Tax credit.--Any industrial enterprise which locates a
29 place of business within the boundaries of an urban investment
30 zone after its designation as such shall receive a tax credit

1 against any tax due under section 402 of the act of March 4,
2 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,
3 attributable to income earned by the operations of such
4 industrial enterprise computed as follows:

5 (1) Against income earned during the first full calendar
6 year of operations - 100% credit.

7 (2) Against income earned during the second calendar
8 year of operations - 80% credit.

9 (3) Against income earned during the third calendar year
10 of operations - 60% credit.

11 (4) Against income earned during the fourth calendar
12 year of operations - 40% credit.

13 (5) Against income earned during the fifth calendar year
14 of operations - 20% credit.

15 (6) Against income earned during the sixth calendar year
16 of operations - 0 credit.

17 (b) Grants for hiring.--An industrial enterprise which hires
18 a person who prior to the time of hiring was receiving benefits
19 under either the act of December 5, 1936 (2nd Sp.Sess., 1937
20 P.L.2897, No.1), known as the Unemployment Compensation Law, or
21 the act of June 13, 1967 (P.L.31, No.21), known as the Public
22 Welfare Code, shall be eligible to receive upon the first
23 anniversary of the hiring of the employee a one time grant of
24 \$500 from the Commonwealth.

25 Section 5. Exemption from property taxes.

26 (a) Location of business.--An industrial enterprise which
27 locates a place of business within the boundaries of an urban
28 investment zone after its designation as such shall receive an
29 exemption from all taxes levied by a county, city, borough,
30 township and school district on the assessed value of real

1 property computed as follows:

2 (1) Against real property taxes levied during the first
3 full calendar year or fiscal year following location of the
4 enterprise within an urban investment zone - 100% exemption.

5 (2) Against real property taxes levied during the second
6 calendar year or fiscal year following location of the
7 enterprise within an urban investment zone - 80% exemption.

8 (3) Against real property taxes levied during the third
9 calendar year or fiscal year following location of the
10 enterprise within an urban investment zone - 60% exemption.

11 (4) Against real property taxes levied during the fourth
12 calendar year or fiscal year following location of the
13 enterprise within an urban investment zone - 40% exemption.

14 (5) Against real property taxes levied during the fifth
15 calendar year or fiscal year following location of the
16 enterprise within an urban investment zone - 20% exemption.

17 (6) Against real property taxes levied during the sixth
18 calendar year or fiscal year following location of the
19 enterprise within an urban investment zone - 0 exemption.

20 (b) Reimbursement of local taxing authorities.--The
21 Department of Revenue shall reimburse local taxing authorities
22 for revenue losses occasioned by the exemptions provided in
23 subsection (a) from funds appropriated for such purpose by the
24 General Assembly or from moneys in the General Fund which are
25 available and may lawfully be used for such purpose. The
26 Department of Revenue may adopt or establish regulations,
27 procedures and forms to carry out the provisions of this
28 section.

29 Section 6. Priority for loans.

30 Any industrial enterprise which proposes to locate within the

1 boundaries of an urban investment zone or which is located
2 within an urban investment zone shall be entitled to receive
3 priority handling of any loan application made under the act of
4 May 17, 1956 (1955 P.L.1609, No.537), known as the Pennsylvania
5 Industrial Development Authority Act.

6 Section 7. Liability of industrial enterprise.

7 (a) Forfeiture of benefits.--If an industrial enterprise
8 which locates a place of business within an urban investment
9 zone and which receives benefits under this act fails to
10 continue its operations within the urban investment zone for at
11 least 15 years following the receipt of initial benefits under
12 this act it shall be liable to the Commonwealth in a sum equal
13 to the total of benefits it received. The Commonwealth may
14 recover any amount due it in an action of assumpsit or in any
15 manner provided by law for the collection of delinquent taxes.
16 (b) Exception.--Subsection (a) shall not apply in the event
17 operations are terminated on account of insolvency or conditions
18 beyond the control of the industrial enterprise.

19 Section 8. Effective date.

20 This act shall take effect in 60 days.