
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1306 Session of
1999

INTRODUCED BY LESCOVITZ, YOUNGBLOOD, CAWLEY, THOMAS, CORRIGAN,
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BELFANTI, McCALL AND GEIST, APRIL 14, 1999

REFERRED TO COMMITTEE ON FINANCE, APRIL 14, 1999

AN ACT

1 Granting tax credits to certain employers who invest in efforts
2 to provide education and training for their existing work
3 force.

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

6 Section 1. Short title.

7 This act shall be known and may be cited as the Upgrade
8 Training Tax Credit Act.

9 Section 2. Definitions.

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

13 "Department." The Department of Community and Economic
14 Development of the Commonwealth.

15 "Enterprise." A business, commerce, trade, transportation,
16 health care, service or other organization providing employment
17 within this Commonwealth.

1 "Industrial resource center." A regional business assistance
2 center as designated by the Secretary of Community and Economic
3 Development.

4 "Secretary." The Secretary of Community and Economic
5 Development of the Commonwealth.

6 "Upgrade training." An education or training program
7 provided to employees to improve their existing work skills and
8 abilities.

9 Section 3. Purpose.

10 It shall be the purpose of this act to provide fiscal
11 incentives to Commonwealth employers to encourage them to invest
12 in the continuing education and training needs of their existing
13 work force.

14 Section 4. Program eligibility.

15 (a) Enterprises.--Any enterprise operating within this
16 Commonwealth shall be eligible to receive the tax credits.

17 (b) Limit on total credits.--No single enterprise shall be
18 granted eligibility to receive total tax credits under this act
19 worth more than \$500,000 during any one fiscal year.

20 (c) Maximum credit amount.--The maximum amount of tax
21 credits approved under this act shall not total more than
22 \$10,000,000 during any one fiscal year.

23 Section 5. Allocation of tax credits.

24 (a) Regional industrial resource centers.--

25 (1) The allocation of available tax credits under this
26 act shall be determined by regional industrial resource
27 centers as designed by the secretary.

28 (2) Enterprises shall make application to receive tax
29 credits of as much as 50% of their total planned expenditure
30 for the eligible upgrade training program.

1 (3) Applications shall include a general explanation of
2 the education or training program to be undertaken, the
3 maximum amount of tax credits for which the enterprise would
4 be eligible, an anticipated timeline for the implementation
5 of the program and any additional information determined
6 necessary by the designated industrial resource center
7 reviewing the application.

8 (4) The secretary shall annually certify the total
9 amount of tax credits to be allocated from each industrial
10 resource center. The amount of tax credits to be awarded by
11 each center, as determined by the secretary, shall be based
12 upon total employment within each industrial resource
13 center's service region.

14 (b) Allocation of credits.--

15 (1) Industrial resource centers shall allocate tax
16 credits based upon eligibility guidelines established by the
17 department in consultation with other Commonwealth agencies
18 responsible for the administration or review of education and
19 training programs. These guidelines shall be presented to the
20 secretary for final approval and implementation within 60
21 days of the enactment of this act.

22 (2) The criteria used to develop guidelines for awarding
23 available tax credits shall include, but not be limited to:

24 (i) Education and training efforts that clearly
25 improve the competitive position of the enterprise.

26 (ii) Enterprises located within State enterprise
27 zones as designated by the secretary or distressed
28 communities as designated by the secretary.

29 (iii) Number of employees expected to be trained and
30 the long-term value of the skills and knowledge to be

1 received.

2 (iv) Labor market needs within the local community.

3 (v) Indications of the enterprise's long-term
4 commitment toward work force development and successful
5 operation within this Commonwealth.

6 (3) The secretary shall annually review these guidelines
7 to insure they are consistent with the criteria outlined in
8 this act and serve the best interests of this Commonwealth.

9 Section 6. Award of credits.

10 (a) Application of credits.--Eligible upgrade training
11 expenditures, as defined in section 2, shall qualify for tax
12 credits which may be applied to taxes levied under Articles III,
13 IV and VI of the act of March 4, 1971 (P.L.6, No.2), known as
14 the Tax Reform Code of 1971.

15 (b) Notice to secretary.--Upon a determination by the
16 industrial resource center that an enterprise is qualified to
17 receive a tax credit, the secretary shall be notified in writing
18 of the proposed amount of the award to insure that the proposal
19 is within the allowable allocation limits for the tax credit
20 program.

21 (c) Notice to Department of Revenue.--Upon receipt of
22 written notification from the department, the Department of
23 Revenue shall review and provide a final determination that the
24 upgrade training program is qualified to receive the tax credit.

25 (d) Notice to enterprise.--The Department of Revenue shall
26 provide written notification to the enterprise that the tax
27 credit has been granted, including clear explanation of the
28 eligible tax year within which the credit may be claimed, and
29 shall inform the department of this determination.

30 (e) Use of credit.--The enterprise may apply the granted tax

1 credit toward an estimated payment or a final payment by
2 taxpayer election, but all of such credit must be used within
3 six months of the ending of the tax year for which the credit
4 has been granted.

5 (f) Transfer of credit.--A tax credit granted under this act
6 may be traded or sold by the enterprise, contingent upon the
7 approval of the Department of Revenue.

8 (g) Regulations and procedures.--The Department of Revenue
9 shall, in the manner provided by law, promulgate regulations and
10 procedures for coordinating with the department to certify that
11 enterprises designated to receive the credits have completed the
12 necessary upgrade training programs to allow the tax credits to
13 be applied.

14 Section 7. Applicability.

15 No tax credits awarded under this act shall be applied toward
16 any tax year prior to July 1, 2000.

17 Section 8. Effective date.

18 This act shall take effect July 1, 1999, or immediately,
19 whichever occurs later.