

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 441 Session of
2005

INTRODUCED BY ORIE, M. WHITE, COSTA, CORMAN, PICCOLA, GREENLEAF,
O'PAKE, LEMMOND, GORDNER, ERICKSON, WONDERLING, KITCHEN,
MADIGAN, PILEGGI, D. WHITE, THOMPSON, EARLL, REGOLA,
SCARNATI, ARMSTRONG, PIPPY AND BOSCOLA, MARCH 22, 2005

REFERRED TO EDUCATION, MARCH 22, 2005

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," further providing for limitations on
6 educational improvement tax credits.

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

9 Section 1. Section 2006-B of the act of March 10, 1949
10 (P.L.30, No.14), known as the Public School Code of 1949,
11 amended December 26, 2003 (P.L.304, No.48), is amended to read:

12 Section 2006-B. Limitations.

13 (a) Amount.--

14 (1) The total aggregate amount of all tax credits
15 approved shall not exceed [~~\$40,000,000~~] \$50,000,000 in a
16 fiscal year. No less than [~~\$26,666,666~~] \$33,333,334 of the
17 total aggregate amount shall be used to provide tax credits
18 for contributions from business firms to scholarship
19 organizations. No less than [~~\$13,333,333~~] \$16,666,666 of the

1 total aggregate amount shall be used to provide tax credits
2 for contributions from business firms to educational
3 improvement organizations.

4 (2) For the fiscal year 2004-2005 and each fiscal year
5 thereafter, the total aggregate amount of all tax credits
6 approved for contributions from business firms to pre-
7 kindergarten scholarship programs shall not exceed \$5,000,000
8 in a fiscal year.

9 (b) Activities.--No tax credit shall be approved for
10 activities that are a part of a business firm's normal course of
11 business.

12 (c) Tax liability.--A tax credit granted for any one taxable
13 year may not exceed the tax liability of a business firm.

14 (d) Use.--A tax credit not used in the taxable year the
15 contribution was made may not be carried forward or carried back
16 and is not refundable or transferable.

17 (e) Nontaxable income.--A scholarship received by an
18 eligible student or eligible pre-kindergarten student shall not
19 be considered to be taxable income for the purposes of Article
20 III of the act of March 4, 1971 (P.L.6, No.2), known as the Tax
21 Reform Code of 1971.

22 Section 2. The amendment of section 2006-B of the act shall
23 apply to the 2005-2006 fiscal year and each fiscal year
24 thereafter.

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