

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 453 Session of  
2007

INTRODUCED BY FRANKEL, BELFANTI, CALTAGIRONE, COHEN, FABRIZIO,  
FREEMAN, GEORGE, GIBBONS, GOODMAN, JAMES, KULA, MAHONEY,  
MANN, MELIO, READSHAW, SCAVELLO, SOLOBAY, STABACK, WHEATLEY,  
YOUNGBLOOD AND YUDICHAK, FEBRUARY 26, 2007

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 26, 2007

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," establishing a tax credit for small businesses  
11 offering 12 weeks of paid family and medical leave annually;  
12 providing for tax credits for participating businesses; and  
13 conferring powers and imposing duties upon the Department of  
14 Revenue.

15 The General Assembly of the Commonwealth of Pennsylvania  
16 hereby enacts as follows:

17 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as  
18 the Tax Reform Code of 1971, is amended by adding an article to  
19 read:

ARTICLE XVIII-C

PAID FAMILY AND MEDICAL LEAVE TAX CREDIT

22 Section 1801-C. Short title.

23 This article shall be known and may be cited as the Paid

1 Family and Medical Leave Tax Credit Act.

2 Section 1802-C. Definitions.

3 The following words and phrases when used in this article  
4 shall have the meanings given to them in this section unless the  
5 context clearly indicates otherwise:

6 "Business firm." A corporation, partnership, sole  
7 proprietorship or other entity with 500 employees or fewer that  
8 is authorized to do business in this Commonwealth and subject to  
9 any of the taxes imposed by Article III, IV, V, VI, VII, VIII,  
10 IX, X or XV.

11 "Employee." An individual who has worked for a business firm  
12 for at least 12 months and for 1,250 hours during the last year  
13 and is eligible for family and medical leave under the Family  
14 and Medical Leave Act of 1993 (Public Law 103-3, 29 U.S.C. §  
15 2601 et seq.).

16 "Family and Medical Leave Act of 1993." The Family and  
17 Medical Leave Act of 1993 (Public Law 103-3, 29 U.S.C. § 2601 et  
18 seq.).

19 "Family leave." Time away from work to care for any of the  
20 following:

21 (1) A person in an employee's family.

22 (2) A newborn, newly adopted child or a child.

23 (3) A spouse.

24 (4) A parent with a serious health condition.

25 "Medical leave." Time away from work to seek medical  
26 treatment or to recover from an employee's own serious health  
27 condition.

28 "Tax credit." The paid family and medical leave tax credit  
29 established by this article.

30 Section 1803-C. Purpose.

It shall be the purpose of this article to provide fiscal incentives to small business owners to encourage them to provide to employees 12 weeks of paid family and medical leave which may be used consecutively with any leave granted under the Family and Medical Leave Act of 1993.

Section 1804-C. Authorization of credit.

A business firm with fewer than 500 employees that chooses to offer to employees 12 weeks of paid family and medical leave which may be used consecutively and in addition to any leave permitted under the Family and Medical Leave Act of 1993 shall be eligible to receive the tax credit.

Section 1805-C. Calculation of credit.

The amount of the tax credit available to a business firm which qualifies under this article shall be calculated as follows:

(1) Business firms with 50 employees or fewer shall be eligible to receive a 50% tax credit.

(2) Business firms with 50 to 100 employees shall be eligible to receive a 40% tax credit.

(3) Business firms with 101 to 200 employees shall be eligible to receive a 25% tax credit.

(4) Business firms with 201 to 300 employees shall be eligible to receive a 20% tax credit.

(5) Business firms with 301 to 400 employees shall be eligible to receive a 15% tax credit.

(6) Business firms with 401 to 500 employees shall be eligible to receive a 10% tax credit.

Section 1806-C. Taxes against which credit may be taken.

The tax credit may be applied against any tax due under Article III, IV, V, VI, VII, VIII, IX, X or XV.

1 Section 1807-C. Limit on total credit.

2 The following limits are imposed on the tax credits:

3 (1) The total tax credit that may be claimed by any  
4 single business firm shall not exceed \$10,000 in any one  
5 year.

6 (2) The total amount of all tax credits granted under  
7 this article shall not exceed \$10,000,000 in any one fiscal  
8 year.

9 Section 1808-C. Powers and duties.

10 The Department of Revenue shall have the power and duty to do  
11 all of the following:

12 (1) Promulgate and publish any rules and regulations  
13 which may be required to implement this article.

14 (2) Publish as a notice in the Pennsylvania Bulletin  
15 forms upon which taxpayers may apply for the tax credit.

16 (3) Within five months after the close of any calendar  
17 year during which tax credits granted under this article were  
18 used, furnish to the members of the General Assembly an  
19 annual report concerning each business firm which used tax  
20 credits during the preceding calendar year pursuant to this  
21 article: the employer's name, address, standard industrial  
22 classification code and the amount of tax credits granted.

23 Section 2. This act shall apply to taxable years beginning  
24 on and after January 1, 2008.

25 Section 3. This act shall take effect immediately.