

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2614 Session of  
2008

INTRODUCED BY STURLA, BIANCUCCI, BOYD, CALTAGIRONE, FRANKEL,  
KOTIK, KULA, R. MILLER, READSHAW, THOMAS, HENNESSEY, BRENNAN,  
FREEMAN, SIPTROTH, MAHONEY AND BEAR, JUNE 11, 2008

REFERRED TO COMMITTEE ON FINANCE, JUNE 11, 2008

AN ACT

1 Providing for a tax credit program for work provided by a  
2 vocational facility to a business under contract with the  
3 facility.

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 Vocational  
8 Facility Service Contract 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 "Business firm." A corporation, partnership or sole  
14 proprietorship authorized to do business in this Commonwealth  
15 and subject to taxes imposed under Article III, IV, VI, VII,  
16 VIII, IX or XV of the act of March 4, 1971 (P.L.6, No.2), known  
17 as the Tax Reform Code of 1971.

18 "Department." The Department of Revenue of the Commonwealth.

1 "Vocational facility." An organization through which  
2 rehabilitative, habilitative or handicapped employment or  
3 employment training is provided to one or more disabled clients  
4 for part of a 24-hour day and is licensed under 55 Pa. Code Ch.  
5 2390 (relating to vocational facilities) or a Pennsylvania  
6 Industries for the Blind and Handicapped affiliated agency.

7 "Work." Commercial activities that improve employment  
8 opportunities for individuals who have disabilities, including,  
9 but not limited to, production, packaging, assembly, food  
10 service, custodial service and clerical service.

#### 11 Section 3. Authorization of credit.

12 (a) Credit.--Subject to the limitations provided under this  
13 section, a business firm may claim as a credit against the taxes  
14 imposed under Article III, IV, VI, VII, VIII, IX or XV of the  
15 act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code  
16 of 1971, an amount equal to 5% of the annual amount that the  
17 business firm paid in the taxable year to a vocational facility  
18 for work performed by the facility for the business firm  
19 pursuant to a contract.

20 (b) Limitations.--The department shall grant a tax credit  
21 against a tax liability of a business firm that provides proof  
22 of a contract with a vocational facility for work paid for in  
23 the taxable year. The maximum amount that any business firm may  
24 claim under this section in a taxable year is \$25,000 for each  
25 vocational facility with which the business firm contracts for  
26 work to be performed.

#### 27 Section 4. Termination.

28 The department shall not approve a tax credit under this act  
29 for taxable years ending after June 30, 2013.

#### 30 Section 5. Applicability.

1       This act shall apply to tax years beginning on or after July  
2   1, 2008.

3   Section 6.   Effective date.

4       This act shall take effect immediately.