
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 40

Special Session No. 1 of
2007-2008

INTRODUCED BY CORMAN, ERICKSON, KITCHEN, EARLL, FERLO AND
WONDERLING, NOVEMBER 30, 2007

REFERRED TO ENERGY POLICIES, NOVEMBER 30, 2007

AN ACT

1 Establishing the Energy Research and Development Fund; providing
2 for appropriations to the fund, for allocations from the fund
3 to the Ben Franklin Technology Development Authority, for
4 administrative costs and reporting and for net operating loss
5 deductions.

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19 loss deductions.

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

5 CHAPTER 1

6 PRELIMINARY PROVISIONS

7 Section 101. Short title.

8 This act shall be known and may be cited as the Energy for
9 the Future Investment Act.

10 Section 102. Definitions.

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

14 "Business." A corporation, partnership, sole proprietorship,
15 limited liability company, business trust or other commercial
16 entity approved by the Ben Franklin Technology Development
17 Authority. The term shall include not-for-profit entities.

18 "Department." The Department of Environmental Protection of
19 the Commonwealth.

20 "Fund." The Energy Research and Development Fund.

21 CHAPTER 3

22 ENERGY FUND

23 Section 301. Fund.

24 There is established in the State Treasury a restricted
25 receipt account to be known as the Energy Research and
26 Development Fund. The fund shall include:

27 (1) The annual appropriations provided under section
28 302.

29 (2) Earnings derived from the investment of the money in
30 the fund.

1 (3) Loan repayments under this act.

2 (4) Any other money appropriated to the fund.

3 Section 302. Deposit.

4 Beginning in Fiscal Year 2008-2009, and each year up to and
5 including Fiscal Year 2012-2013, the sum of \$40,000,000 of the
6 gross receipts tax collected during each fiscal year under
7 Article XI of the act of March 4, 1971 (P.L.6, No.2), known as
8 the Tax Reform Code of 1971, shall be appropriated to the State
9 Treasurer for deposit into the fund.

10 Section 303. Investment.

11 Proceeds shall be deposited in the fund and invested or
12 reinvested as are other funds in the custody of the State
13 Treasurer in the manner provided by law. All earnings received
14 from investment on deposits shall be used for the same purposes
15 as the proceeds under this chapter.

16 CHAPTER 5

17 ALLOCATION OF FUND

18 Section 501. Allocation of funds.

19 Money in the fund shall be allocated in equal annual
20 installments of \$40,000,000 over a five-year period to the Ben
21 Franklin Technology Development Authority for allocation in
22 accordance with section 502.

23 Section 502. Ben Franklin Technology Development Authority.

24 (a) Allocation of funds.--Money from the fund allocated
25 under section 501 to the Ben Franklin Technology Development
26 Authority shall be distributed as follows:

27 (1) Sixty per cent shall be used for commercialization
28 and acceleration of the development of emerging alternative
29 or renewable energy technologies in this Commonwealth to
30 include funding of the costs associated with capital

1 investment, transitional research and other costs.

2 (2) Forth percent shall be used for venture capital for
3 Pennsylvania start-up businesses to develop or expand
4 alternative or renewable energy technologies, including
5 private and public projects, to include funding of the costs
6 associated with capital investments, transitional research
7 and other costs necessary to develop commercial spin-offs and
8 licensing agreements. A project receiving funds under this
9 paragraph shall not receive more than \$1,500,000 during the
10 life of the program.

11 (b) Guidelines.--The Ben Franklin Technology Development
12 Authority shall publish guidelines that include eligibility
13 requirements consistent with existing guidelines of the Ben
14 Franklin Technology Development Authority Board, including
15 matching fund requirements. The guidelines shall be posted on
16 its official Internet website.

17 (c) Application.--An applicant for funds under this section
18 shall submit an application including any supporting information
19 as required by the Ben Franklin Technology Development
20 Authority.

21 (d) Administrative costs.--No more than one per cent of
22 funds allocated to the Ben Franklin Technology Development
23 Authority shall be used for administrative costs.

24 (e) Reporting.--The Ben Franklin Technology Development
25 Authority shall provide an annual report to the chairman and
26 minority chairman of the Appropriations Committee of the Senate
27 and the chairman and minority chairman of the Appropriations
28 Committee of the House of Representatives. The report shall be
29 posted and maintained on its official Internet website. The
30 report shall include a list of all funds distributed under

1 subsection (a), the recipients of the funds, the technology to
2 be developed and other details relating to the project.

3 CHAPTER 7

4 NET OPERATING LOSS DEDUCTIONS

5 Section 701. Exception from limitation on net operating loss
6 deductions.

7 Any limits on the net operating loss deduction in a taxable
8 year provided under section 401(3)4(c) of the act of March 4,
9 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, shall
10 not apply to the deduction of start-up period losses for any
11 corporation who could qualify for assistance under this act. For
12 the purposes of this section, "start-up period losses" are the
13 sum of the net loss or losses incurred in the corporation's
14 first taxable year plus its nine succeeding taxable years. A
15 reorganization as the term is defined under section
16 303(a)(3)(iv)(B) of the Tax Reform Code of 1971 shall be
17 disregarded for the purposes of applying this section. This act
18 shall apply to net operating loss deductions for taxable years
19 beginning after December 31, 2007.

20 CHAPTER 29

21 MISCELLANEOUS PROVISIONS

22 Section 2901. Effective date.

23 This act shall take effect in 60 days.