

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 433 Session of 2011

INTRODUCED BY M. SMITH, SANTARSIERO, BARRAR, BENNINGHOFF, BOYD, B. BOYLE, BRENNAN, BRIGGS, CALTAGIRONE, CLYMER, CONKLIN, D. COSTA, CUTLER, DAVIS, DEASY, DeLUCA, DENLINGER, DePASQUALE, FLECK, GEIST, GOODMAN, GROVE, HALUSKA, HESS, KILLION, KORTZ, KULA, MAHONEY, MAJOR, MANN, MARSHALL, MURPHY, MURT, MYERS, M. O'BRIEN, PAYTON, PETRARCA, PRESTON, READSHAW, REED, REICHLEY, SAINATO, SCAVELLO, K. SMITH, SWANGER, VITALI, VULAKOVICH, WAGNER AND YOUNGBLOOD, FEBRUARY 3, 2011

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 3, 2011

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," providing for an Energy Star rated product  
11 manufacturing tax credit.

12 The General Assembly of the Commonwealth of Pennsylvania  
13 hereby enacts as follows:

14 Section 1. Article XVIII-C heading of the act of March 4,  
15 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, added  
16 July 9, 2008 (P.L.922, No.66), is amended to read:

ARTICLE XVIII-C

[ (Reserved) ]

ENERGY STAR RATED PRODUCT

1                                    MANUFACTURING TAX CREDIT

2            Section 2. The act is amended by adding sections to read:

3    Section 1801-C. Definitions.

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

7            "Energy Star rated product." A product that has been  
8    certified as in compliance with and qualifies as an Energy Star  
9    product pursuant to the Environmental Protection Agency and the  
10   Department of Energy, Energy Star Program and bears the Energy  
11   Star label.

12          "Energy Star rated product manufacturing tax credit" or "tax  
13   credit." The credit provided under this article.

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

15          "Qualified tax liability." The liability for taxes imposed  
16   under Article III, IV, V or VI. The term does not include any  
17   tax withheld by an employer from an employee under Article III.

18          "Taxpayer." An entity subject to tax under Article III, IV,  
19   V or VI.

20   Section 1802-C. Eligible applicants.

21          A taxpayer that manufactures Energy Star rated products may  
22   apply for the Energy Star rated product manufacturing tax credit  
23   as provided under this article. By February 1 of each year, a  
24   taxpayer must submit an application to the department for the  
25   amount of costs identified under section 1803-C that were paid  
26   in the taxable year that ended the prior calendar year.

27   Section 1803-C. Award of tax credits.

28          A taxpayer that is qualified under section 1802-C may receive  
29   an Energy Star rated product manufacturing tax credit for the  
30   taxable year in an amount equal to 20% of the total amount of

all capital, operation and maintenance costs paid for  
manufacturing Energy Star related products in the taxable year  
to be applied against the taxpayer's qualified tax liability.  
Section 1804-C. Carryover and carryback of credit.

(a) Carryover.--If the taxpayer cannot use the entire amount  
of the Energy Star rated product manufacturing tax credit for  
the taxable year in which the tax credit is first approved, the  
excess may be carried over to succeeding taxable years and used  
as a credit against the qualified tax liability of the taxpayer  
for those taxable years. Each time that the tax credit is  
carried over to a succeeding taxable year, it is to be reduced  
by the amount that was used as a credit during the immediately  
preceding taxable year. The tax credit provided under this  
article may be carried over and applied to succeeding taxable  
years for no more than five taxable years following the first  
taxable year for which the taxpayer was entitled to claim the  
tax credit.

(b) Application.--An Energy Star rated product manufacturing  
tax credit approved by the department in a taxable year first  
shall be applied against the taxpayer's qualified tax liability  
for the current taxable year as of the date on which the tax  
credit was approved before the tax credit is applied against any  
tax liability under subsection (a).

(c) Carryback.--A taxpayer is not entitled to carry back or  
obtain a refund of an unused Energy Star rated product  
manufacturing tax credit.

Section 1805-C. Termination.

The department shall not approve an Energy Star rated product  
manufacturing tax credit under this article for taxable years  
ending after December 31, 2015.

1 Section 1806-C. Regulations.

2 The department shall promulgate regulations necessary for the  
3 implementation and administration of this article.

4 Section 3. The addition of sections 1801-C, 1802-C, 1803-C,  
5 1804-C, 1805-C and 1806-C of the act shall apply to tax years  
6 beginning after December 31, 2011.

7 Section 4. This act shall take effect immediately.