

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2396 Session of 2022

INTRODUCED BY GREINER, RYAN, LONGIETTI, MIZGORSKI, JAMES, CAUSER, PICKETT, STAMBAUGH, HENNESSEY, FEE, FRITZ, ROTHMAN, ARMANINI, IRVIN, BROOKS, ROAE, JOZWIAK, B. MILLER, ZIMMERMAN, METCALFE, ECKER AND LEWIS DELROSSO, MARCH 10, 2022

REFERRED TO COMMITTEE ON FINANCE, MARCH 10, 2022

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," in manufacturing and investment tax credit,
11 further providing for rural growth funds, for business firms,
12 for tax credit certificates and for claiming the tax credit.

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

15 Section 1. Section 1824-G(a), (c) and (f) of the act of
16 March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of
17 1971, amended July 23, 2020 (P.L.665, No.68), are amended to
18 read:

19 Section 1824-G. Rural growth funds.

20 (a) [Application] Applications.--

21 (1) Beginning on the effective date of this section, an
22 application to qualify as a rural growth fund must be

submitted on a form and in a manner as required by the department.

(2) The department shall begin accepting applications to qualify as a rural growth fund with respect to an additional \$50,000,000 of investment authority under subsection (f) (2) on October 1, 2022.

* * *

(c) Review of applications.--The department shall review applications received from rural growth funds under this section. Subject to the [limitation] limitations in subsection (f), the department shall make allocations of investment authority for approved applications in the order in which the applications are received. Applications received on the same day shall be deemed to have been received simultaneously. If requests for investment authority on approved applications exceed the [limitation] limitations in subsection (f), the department shall reduce the applicable awards of the investment authority and the credit-eligible capital contributions proportionally based upon the amount of investment authority sought in the application for each approved application as necessary to not exceed the [limitation] limitations in subsection (f).

* * *

(f) Limitation.--

(1) The department may not approve more than \$50,000,000 in investment authority under this part prior to October 1, 2022.

(2) On or after October 1, 2022, the department may not approve more than an additional \$50,000,000 in investment authority under this part.

1 Section 2. Section 1828-G(c) of the act is amended to read:

2 Section 1828-G. Business firms.

3 * * *

4 (c) Limitation.--The department may not approve more than
5 \$30,000,000 in credit-eligible capital contributions [under this
6 part.] with respect to awards of investment authority subject to
7 the limitations under section 1824-G(f)(1) and not more than
8 \$30,000,000 in credit-eligible capital contributions with
9 respect to awards of investment authority subject to the
10 limitations under section 1824-G(f)(2).

11 Section 3. Sections 1829-G(b)(3) and 1830-G(a) of the act,
12 amended July 23, 2020 (P.L.665, No.68), are amended to read:

13 Section 1829-G. Tax credit certificates.

14 * * *

15 (b) Review, recommendation and approval.--

16 * * *

17 (3) In awarding tax credit certificates under this part,
18 the department:

19 (i) [Beginning] With respect to awards of investment
20 authority subject to the limitation under section 1824-
21 G(f)(1), beginning with fiscal year 2020-2021, may not
22 award tax credit certificates that would result in the
23 utilization of more than \$6,000,000 in tax credits in any
24 fiscal year, except for tax credits carried forward.

25 (ii) [May not award more than \$30,000,000 in tax
26 credit certificates, in the aggregate, under this part.]
27 With respect to awards of investment authority subject to
28 the limitation under section 1824-G(f)(2), may not award
29 tax credit certificates that would result in the
30 utilization of more than \$6,000,000 in tax credits in any

1 fiscal year, except for tax credits carried forward.

2 (iii) May not award more than \$60,000,000 in tax
3 credit certificates in the aggregate of section 1829-G(b)
4 (3)(i) and (ii). The tax credit utilization limitation
5 under subsection (b)(3)(i) shall not offset the tax
6 credit utilization limitation in subsection (b)(3)(ii).

7 Section 1830-G. Claiming the tax credit.

8 (a) Presentation.--[Beginning]

9 (1) With respect to awards of investment authority
10 subject to the limitation of section 1824-G(f)(1), beginning
11 July 1, 2020, upon presenting a tax credit certificate to the
12 Department of Revenue, a business firm may claim a tax credit
13 of up to 20% of the amount awarded under section 1829-G for
14 each of the taxable years that includes the third, fourth,
15 fifth, sixth and seventh anniversaries of the closing date,
16 exclusive of any tax credit amounts carried over under
17 section 1831-G(b).

18 (2) With respect to awards of investment authority
19 subject to the limitation of section 1824-G(f)(2), upon
20 presenting a tax credit certificate to the Department of
21 Revenue, a business firm may claim a tax credit of up to 20%
22 of the amount awarded under section 1829-G for each of the
23 taxable years that includes the third, fourth, fifth, sixth
24 and seventh anniversaries of the closing date, exclusive of
25 any tax credit amounts carried over under section 1831-G(b).

26 * * *

27 Section 4. This act shall take effect in 60 days.