



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 151

PRINTERS NO. 1571

PRIME SPONSOR: Cutler

### COST / (SAVINGS)

FUND	FY 2016/17	FY 2017/18
General Fund	\$0	\$0
Commonwealth Funds *	\$0	\$0

*\*Includes the Machinery and Equipment Loan Fund, Small Business First Fund, and Pennsylvania Industrial Development Authority Funds*

**SUMMARY:** Amends Title 12 (Commerce and Trade) to define “agent”; and to transfer the Concert Rehearsal and Tour Tax Credit to Title 12. This legislation would take effect immediately.

**ANALYSIS:** This legislation amends Chapter 23 (Small Business First), Chapter 29 (Machinery and Equipment Loans) and Chapter 30 (Pennsylvania Industrial Development Program) of Title 12 to provide a definition of the term “agent” that includes the Department of Community and Economic Development (DCED). This will give DCED and its employees the ability to conduct the required inspections and monitoring programs managed by the Pennsylvania Industrial Development Authority (PIDA).

The legislation amends Chapter 29 of Title 12 to make clarifications to the inspection process for businesses that apply for and receive machinery and equipment loans. Specifically, these clarifications will now allow authorized employees of PIDA or its agent to inspect the plant, books and records of the business enterprise.

This legislation also creates the Entertainment Economic Enhancement Program and transfers the Concert Rehearsal and Tour Tax Credit (Article XVII-D, Subarticle C) from the Tax Reform Code of 1971 into Title 12 and includes several technical changes, which include:

- 1) conforming the language of the tax credit to make it uniform with Title 12 as opposed to the Tax Reform Code;
- 2) allowing expenses which are contractually required to be incurred to count as “Qualified Concert Rehearsal and Tour Expenses”;
- 3) permitting the tax credit to be sold ; and
- 4) changing the annual cap on the tax credit from a dollar amount (\$4 million) to the equivalent cap on the number of tours receiving assistance (5 tours x \$800,000/tour).

**FISCAL IMPACT:** This legislation would have no adverse fiscal impact on Commonwealth funds. The annual aggregate tax credit cap of \$4 million provided for in the Concert Rehearsal and Tour Production Tax Credit is maintained in the Entertainment Economic Enhancement Program but with some modification.

**PREPARED BY:** Tim Rodrigo  
House Appropriations Committee (R)

**DATE:** June 5, 2017

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*