



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 645

PRINTERS NO. 4278

PRIME SPONSOR: B. O'Neill

REVENUE INCREASE / (DECREASE)

FUND	FY 2018/19	FY 2019/20
General Fund	\$0	See Fiscal Impact

SUMMARY: House Bill 645, Printer's Number 4278, amends the Tax Reform Code further providing for excluded transactions in realty transfer tax and providing for tax credit limit and tax credit reporting in Neighborhood Assistance Tax Credit.

ANALYSIS: HB645 adds subsection (25) to Section 1102-C.3 (Excluded Transactions) providing that beginning on or after December 31, 2015, a transfer of real estate by a housing authority to a nonprofit organization which is using the real estate for rental assistance demonstration administered by the United States Department of Housing and Urban Development shall be an excluded transaction from the realty transfer tax.

HB 645 amends Sections 1904-A (Tax Credit) and 1905-A (Grant of Tax Credit) providing for an increase in the total amount of tax credits available under the Neighborhood Assistance Tax Credit program from \$18 million to \$36 million.

Section 1908-A (Reporting) is added requiring the Department of Community and Economic Development to issue a report to the General Assembly within 12 months and each five years thereafter. The report shall include a funding evaluation of the tax credit program and recommendations on ways the department can interact with and promote the inclusion of community organizations not previously included in the projects receiving tax credits.

The addition of Section 1102-C.3 (25) takes effect in 60 days and applies to a county of the fifth class with a population between 115,000 and 118,000 in the 2010 Federal decennial census which filed an appeal with the Board of Finance and Review after December 31, 2015. The remainder of the act shall take effect July 1, 2019.

FISCAL IMPACT: The applicability of Section 1102-C.3 (25) will have minimal impact to Commonwealth funds. To the extent that the full amount of the increase in available tax credits is utilized, enactment of this legislation will result in the loss of General Fund revenues of up to \$18 million each year beginning in Fiscal Year 2019-20.

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House Appropriations Committee (R)

DATE: October 17, 2018

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