



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1796

PRINTERS NO. 2440

PRIME SPONSOR: White

COST / (SAVINGS)

FUND	FY 2019/20	FY 2020/21
General Fund	\$0	\$0

SUMMARY: House Bill 1796, Printer's Number 2440, amends the First Class City Business Tax Reform Act of 1984 further providing for the definition of net operating loss.

ANALYSIS: Current provisions in the First Class City Business Tax Reform Act provide that net operating losses incurred in another tax period may be carried over for 3 tax years following the year in which it was incurred. This legislation increases the net operating loss carryforward provisions to 20 tax years.

The act shall take effect immediately and apply to net operating losses incurred in the year of enactment of this act and each year thereafter.

FISCAL IMPACT: Enactment of this legislation will have no adverse fiscal impact on Commonwealth funds. In December 2018, the Philadelphia City Council voted to extend the net operating loss carryforward provision to 20 years in the Philadelphia Code. Statutory authorization must be granted by the General Assembly in order to effectuate this measure taken by the Philadelphia City Council.

PREPARED BY: Ritchie LaFaver
House Appropriations Committee (R)

DATE: January 13, 2020

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