



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 324

PRINTERS NO. 298

PRIME SPONSOR: White

### COST / (SAVINGS)

FUND	FY 2021/22	FY 2022/23
General Fund	\$0	\$0

**SUMMARY:** House Bill 324, Printer's Number 298, 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.

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House Appropriations Committee (R)

**DATE:** January 24, 2022

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