



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

HOUSE BILL NO. 1377    PRINTERS NO. 1820    PRIME SPONSOR: Boback

### COST / (SAVINGS)

FUND	FY 2020/21	FY 2021/22
General Fund	\$0	See "Fiscal Impact"

**SUMMARY:** Amends the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Investment Zone Act (Act 92 of 1998) to limit zone relocation. This legislation would take effect in 60 days.

**ANALYSIS:** A business is prohibited from relocating from one active or expired subzone, improvement subzone or expansion subzone in which the business received tax exemptions, deductions, abatements or credits to another to receive the same tax incentives unless the relocation is necessary to meet the expansion or operational needs of the business and the business anticipates a significant financial impact on the zone into which the business is relocating. The business must demonstrate that the relocation is necessary and the financial impact. DCED, along with the Department of Revenue, shall have sole discretion to determine whether a business has met the burden required.

**Exemption:** A business that has already applied for a tax exemption, deduction, abatement or credit or the business has already made commitments to relocate to another zone prior to the effective date of this legislation is exempt from the prohibition.

**FISCAL IMPACT:** This legislation could keep the Commonwealth from losing future tax revenues by preventing businesses from relocating from one zone type to another to receive similar tax advantages.

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

**DATE:** June 23, 2021

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