

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," in educational improvement tax credit, further
11 providing for limitations.

12 The General Assembly of the Commonwealth of Pennsylvania
13 hereby enacts as follows:

14 Section 1. Section 1706-F(a) of the act of March 4, 1971
15 (P.L.6, No.2), known as the Tax Reform Code of 1971, amended
16 July 2, 2012 (P.L.751, No.85), is amended to read:

17 Section 1706-F. Limitations.

18 (a) Amount.--

19 (1) [The] For each fiscal year through fiscal year 2011-
20 2012, the total aggregate amount of all tax credits approved
21 shall not exceed \$100,000,000 in a fiscal year. No less than
22 \$60,000,000 of the total aggregate amount shall be used to

1 provide tax credits for contributions from business firms to
2 scholarship organizations. No less than \$30,000,000 of the
3 total aggregate amount shall be used to provide tax credits
4 for contributions from business firms to educational
5 improvement organizations.

6 (2) The following apply to specific fiscal years:

7 (i) For fiscal years 2004-2005, 2005-2006 and 2006-
8 2007, the total aggregate amount of all tax credits
9 approved for contributions from business firms to pre-
10 kindergarten scholarship programs shall not exceed
11 \$5,000,000 in a fiscal year.

12 (ii) For fiscal years 2007-2008, 2008-2009, 2009-
13 2010, 2010-2011 and 2011-2012, the total aggregate amount
14 of all tax credits approved for contributions from
15 business firms to pre-kindergarten scholarship programs
16 shall not exceed \$8,000,000 in a fiscal year.

17 (iii) For fiscal year 2012-2013 and each fiscal year
18 thereafter, the total aggregate amount of all tax credits
19 approved for contributions from business firms to pre-
20 kindergarten scholarship programs shall not exceed
21 \$10,000,000 in a fiscal year.

22 (3) (i) For the fiscal year 2012-2013, the total
23 aggregate amount of all tax credits approved shall not
24 exceed \$100,000,000.

25 (ii) Not more than \$67,000,000 of the total
26 aggregate amount of all tax credits approved shall be
27 used to provide tax credits for contributions from
28 business firms to scholarship organizations.

29 (iii) Not more than \$25,000,000 of the total
30 aggregate amount of all tax credits approved shall be

1 used to provide tax credits for contributions from
2 business firms to educational improvement organizations.

3 (iv) Not more than \$8,000,000 of the total aggregate
4 amount of all tax credits approved shall be used to
5 provide tax credits for contributions from business firms
6 to prekindergarten scholarship organizations.

7 (4) (i) For the fiscal year 2013-2014 and each fiscal
8 year thereafter, the total aggregate amount of all tax
9 credits approved shall not exceed the total aggregate
10 amount from the previous fiscal year as specified in this
11 subsection plus the greater of:

12 (A) \$10,000,000; or

13 (B) A cost-of-living adjustment equal to the
14 total aggregate amount from the previous year times
15 the percentage increase in the Consumer Price Index
16 for All Urban Consumers (CPI-U) for the Pennsylvania,
17 New Jersey, Delaware and Maryland areas between the
18 most recent 12-month period for which figures have
19 been officially reported by the United States
20 Department of Labor, Bureau of Labor Statistics and
21 the second most recent 12-month period.

22 (ii) Not more than 60% of the total aggregate amount
23 of all tax credits approved shall be used to provide tax
24 credits for contributions from business firms to
25 scholarship organizations.

26 (iii) Not more than 30% of the total aggregate
27 amount of all tax credits approved shall be used to
28 provide tax credits for contributions from business firms
29 to educational improvement organizations.

30 (iv) Not more than 10% of the total aggregate amount

1 of all tax credits approved shall be used to provide tax
2 credits for contributions from business firms to
3 prekindergarten scholarship organizations.

4 * * *

5 Section 2. This act shall take effect in 60 days.