

LEGISLATIVE REFERENCE BUREAU

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No. _____

LEGISLATIVE REFERENCE BUREAU

AN ACT

Amending the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, providing for a commuter and commerce toll tax credit.

INTRODUCED _____ 20 _____

By _____ District NO. _____

By _____ District NO. _____

By _____ District NO. _____

By _____ District NO. _____

See next page for additional co-sponsors.

Referred to Committee on	
Date _____	20 _____
Reported _____	20 _____
As Committed-Amended	
Recommendation	

By Hon. _____	

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," providing for a commuter and commerce toll tax
11 credit.

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

14 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as
15 the Tax Reform Code of 1971, is amended by adding an article to
16 read:

17 ARTICLE XVII-J

18 COMMUTER AND COMMERCE TOLL TAX CREDIT

19 Section 1701-J. Scope of article.

20 This article relates to the commuter and commerce toll tax
21 credits.

22 Section 1702-J. Definitions.

1 The following words and phrases when used in this article
2 shall have the meanings given to them in this section unless the
3 context clearly indicates otherwise:

4 "Department." The Department of Revenue of the Commonwealth.

5 "Pass-through entity." Any of the following:

6 (1) A partnership, limited partnership, limited
7 liability company, business trust or other unincorporated
8 entity that for Federal income tax purposes is taxable as a
9 partnership.

10 (2) A Pennsylvania S corporation.

11 "Qualified tax liability." For a taxpayer who is an
12 individual, taxes imposed under Article III and for all other
13 taxpayers, taxes imposed under Articles III, IV and VI. The term
14 shall include the liability for taxes imposed under Article III
15 on a shareholder of a pass-through entity.

16 "Qualified toll expense." Any remuneration paid through the
17 use of an E-ZPass transponder for access and use of the
18 Pennsylvania Turnpike and all toll bridges operated under the
19 Delaware River Joint Toll Bridge Commission and the Delaware
20 River Port Authority of Pennsylvania and New Jersey.

21 "Tax credit." The Commuter and Commerce Toll Tax Credit
22 authorized under this article.

23 "Taxpayer." A Pennsylvania-based entity or individual
24 Pennsylvania resident subject to tax under Article III, IV or
25 VI. The term shall include the shareholder, owner or member of a
26 pass-through entity that receives a tax credit.

27 Section 1703-J. Credit for qualified toll expense.

28 (a) Application.--A taxpayer that incurs a qualified toll
29 expense in a taxable year may apply for a tax credit as provided
30 under this article. By September 15 of each year, a taxpayer

1 must submit an application to the department for a qualified
2 toll expense incurred in the taxable year that ended in the
3 prior calendar year.

4 (b) Receipt.--A taxpayer that is qualified under subsection
5 (a) shall receive a tax credit for the taxable year in the
6 amount of 50%, not to exceed \$500, of the taxpayer's total
7 qualified toll expense for the taxable year.

8 (c) Notification.--By December 15 of the calendar year
9 following the close of the taxable year during which the
10 qualified toll expense was incurred, the department shall notify
11 the taxpayer of the amount of the taxpayer's tax credit approved
12 by the department.

13 Section 1704-J. Carryover, carryback, refund and assignment of
14 credit.

15 (a) Carryover.--If the taxpayer cannot use the entire amount
16 of the tax credit for the taxable year in which the tax credit
17 is first approved, the excess may be carried over succeeding
18 taxable years and used as a credit against the qualified tax
19 liability of the taxpayer for those taxable years. Each time
20 that the tax credit is carried over to a succeeding taxable
21 year, it is to be reduced by the amount that was used as a
22 credit during the immediately preceding taxable year. The tax
23 credit provided by this article may be carried over and applied
24 to succeeding taxable years for no more than 15 taxable years
25 following the first taxable year for which the taxpayer was
26 entitled to claim the credit.

27 (b) Application of tax credit.--A tax credit approved by the
28 department for a qualified toll expense in a taxable year first
29 shall be applied against the taxpayer's qualified tax liability
30 for the current taxable year as of the date on which the credit

1 was approved before the tax credit is applied against any tax
2 liability under subsection (a).

3 (c) Carryback or refund.--A taxpayer shall not be entitled
4 to carry back or obtain a refund of an unused tax credit.

5 Section 1705-J. Limitation on credits.

6 (a) Total amount.--The total amount of tax credits approved
7 by the department may not be limited in any fiscal year.

8 (b) Allocation.--Tax credits to each taxpayer under this
9 article may not exceed \$500 annually.

10 Section 1706-J. Shareholder, owner or member pass-through.

11 (a) Application to Pennsylvania S corporations.--If a
12 Pennsylvania S corporation does not have an eligible tax
13 liability against which the tax credit may be applied, a
14 shareholder of the Pennsylvania S corporation shall be entitled
15 to a tax credit equal to the tax credit determined for the
16 Pennsylvania S corporation for the taxable year multiplied by
17 the percentage of the Pennsylvania S corporation's distributive
18 income to which the shareholder is entitled.

19 (b) Other applications.--If a pass-through entity other than
20 a Pennsylvania S corporation does not have an eligible tax
21 liability against which the tax credit may be applied, an owner
22 or member of the pass-through entity shall be entitled to a tax
23 credit equal to the tax credit determined for the pass-through
24 entity for the taxable year multiplied by the percentage of the
25 pass-through entity's distributive income to which the owner or
26 member is entitled.

27 (c) Additional credit.--The credit provided under subsection
28 (a) or (b) shall be in addition to any tax credit to which a
29 shareholder, owner or member of a pass-through entity is
30 otherwise entitled under this article, except that a pass-

1 through entity and a shareholder, owner or member of a pass-
2 through entity may not claim a credit under this article for the
3 same qualified toll expense.

4 Section 1707-J. Regulations.

5 The department shall promulgate regulations necessary for the
6 implementation and administration of this article.

7 Section 2. The addition of Article XVII-J of the act shall
8 apply to taxable years beginning after December 31, 2013.

9 Section 3. This act shall take effect in 60 days.