2015D05980SFR:CMD

LEGISLATIVE REFERENCE BUREAU

L.R.B. Form No. 4 (Rev. 3/25/10)

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, in neighborhood assistance tax credit, further providing for definitions, for public policy, for tax credit and for grant of 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," in neighborhood assistance tax credit, further
11 providing for definitions, for public policy, for tax credit
12 and for grant of tax credit.

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

15 Section 1. The definition of "community services" in section
16 1902-A of the act of March 4, 1971 (P.L.6, No.2), known as the
17 Tax Reform Code of 1971, amended July 2, 2012 (P.L.751, No.85),
18 is amended and the section is amended by adding definitions to
19 read:

20 Section 1902-A. Definitions.--The following words, terms and
21 phrases, when used in this article, shall have the meanings
22 ascribed to them in this section, except where the context

clearly indicates a different meaning:

* * *

"Community services." Any type of counseling and advice, emergency assistance, food assistance, homeless housing assistance or medical care furnished to individuals or groups in an impoverished area.

* * *

"Homeless housing assistance." A program or project designed to prevent or reduce homelessness or provide greater access to housing or shelter for individuals who are homeless or at immediate risk of becoming homeless.

* * *

"Land bank jurisdiction." As defined in 68 Pa.C.S. § 2103 (relating to definitions).

* * *

Section 2. Section 1903-A of the act, added June 16, 1994 (P.L.279, No.48), is amended to read:

Section 1903-A. Public Policy.--It is hereby declared to be public policy of this Commonwealth to encourage investment by business firms in offering neighborhood assistance and providing job training, education, crime prevention and community services, to encourage contributions by business firms to neighborhood organizations which offer and provide such assistance and services and to promote qualified investments made by private companies to rehabilitate, expand or improve buildings or land which promote community economic development and which occur in portions of impoverished areas which have been designated as enterprise zones[.] or, in a case involving homeless housing assistance, which are located in a land bank jurisdiction.

1 Section 3. Section 1904-A(a), (b.1) and (c) of the act,
2 amended July 25, 2007 (P.L.373, No.55) and July 2, 2012
3 (P.L.751, No.85), are amended and the section is amended by
4 adding a subsection to read:
5 Section 1904-A. Tax Credit.--(a) Any business firm which
6 engages or contributes to a neighborhood organization which
7 engages in the activities of providing neighborhood assistance,
8 comprehensive service projects, job training or education for
9 individuals, community services or crime prevention in an
10 impoverished area or private company which makes qualified
11 investment to rehabilitate, expand or improve buildings or land
12 located within portions of impoverished areas which have been
13 designated as enterprise zones <u>or, in a case involving homeless</u>
14 <u>housing assistance, which are located in a land bank</u>
15 <u>jurisdiction</u> shall receive a tax credit as provided in section
16 1905-A if the secretary annually approves the proposal of such
17 business firm or private company. The proposal shall set forth
18 the program to be conducted, the impoverished area selected, the
19 estimated amount to be invested in the program and the plans for
20 implementing the program.
21 * * *
22 (b.1) The secretary shall take into special consideration,
23 when approving applications for neighborhood assistance tax
24 credits, applications which involve:
25 (1) multiple projects in various markets throughout this
26 Commonwealth; and
27 (2) charitable food programs[.]<u>; and</u>
28 <u>(3) homeless housing assistance.</u>
29 * * *
30 <u>(b.3) The secretary, in cooperation with the Department of</u>

1 Human Services, shall promulgate guidelines for the approval or
2 disapproval of applications for tax credits by business firms
3 that provide homeless housing assistance.
4 (c) The total amount of tax credit granted for programs
5 approved under this act shall not exceed [eighteen million
6 dollars ($18,000,000)] thirty-five million dollars ($35,000,000)
7 of tax credit in any fiscal year.
8 * * *
9 Section 4. Section 1905-A of the act, amended July 25, 2007
10 (P.L.373, No.55), is amended to read:
11 Section 1905-A. Grant of Tax Credit.--The Department of
12 Revenue shall grant a tax credit against any tax due under
13 Article III, IV, VI, VII, VIII, IX or XV of this act, or any tax
14 substituted in lieu thereof in an amount which shall not exceed
15 fifty-five per cent of the total amount contributed during the
16 taxable year by a business firm or twenty-five per cent of
17 qualified investments by a private company in programs approved
18 pursuant to section 1904-A of this act: Provided, That a tax
19 credit of up to seventy-five per cent of the total amount
20 contributed during the taxable year by a business firm or up to
21 thirty-five per cent of the amount of qualified investments by a
22 private company may be allowed for investment in programs where
23 activities fall within the scope of special program priorities
24 as defined with the approval of the Governor in regulations
25 promulgated by the secretary, and Provided further, That a tax
26 credit of up to seventy-five per cent of the total amount
27 contributed during the taxable year by a business firm in
28 comprehensive service projects with five-year commitments and up
29 to eighty per cent of the total amount contributed during the
30 taxable year by a business firm in comprehensive service

1 projects with six-year or longer commitments shall be granted.
2 Such credit shall not exceed five hundred thousand dollars
3 ($500,000) annually for contributions or investments to fewer
4 than four projects or one million two hundred fifty thousand
5 dollars ($1,250,000) annually for contributions or investments
6 to four or more projects. No tax credit shall be granted to any
7 bank, bank and trust company, insurance company, trust company,
8 national bank, savings association, mutual savings bank or
9 building and loan association for activities that are a part of
10 its normal course of business. Any tax credit not used in the
11 period the contribution or investment was made may be carried
12 over for the next five succeeding calendar or fiscal years until
13 the full credit has been allowed. A business firm shall not be
14 entitled to carry back or obtain a refund of an unused tax
15 credit. The total amount of all tax credits allowed pursuant to
16 this act shall not exceed [eighteen million dollars
17 ($18,000,000)] <u>thirty-five million dollars ($35,000,000)</u> in any
18 one fiscal year. Of that amount, two million dollars
19 ($2,000,000) shall be allocated exclusively for pass-through
20 entities. However, if the total amounts allocated to either the
21 group of applicants, exclusive of pass-through entities, or the
22 group of pass-through entity applicants is not approved in any
23 fiscal year, the unused portion shall become available for use
24 by the other group of qualifying taxpayers.
25 Section 5. This act shall take effect in 60 days.