

TAX REFORM CODE OF 1971 - OMNIBUS AMENDMENTS

Act of Jul. 8, 2022, P.L. 513, No. 53

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HB 1342

AN ACT

Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An act relating to tax reform and State taxation by codifying and enumerating certain subjects of taxation and imposing taxes thereon; providing procedures for the payment, collection, administration and enforcement thereof; providing for tax credits in certain cases; conferring powers and imposing duties upon the Department of Revenue, certain employers, fiduciaries, individuals, persons, corporations and other entities; prescribing crimes, offenses and penalties," in sales and use tax, further providing for definitions, for exclusions from tax and for licenses; in personal income tax, further providing for classes of income and repealing provisions relating to COVID-19 emergency finance and tax provision; in corporate net income tax, further providing for definitions and for imposition of tax; in insurance premiums tax, further providing for imposition of tax and for credits for assessments paid; in vehicle rental tax, further providing for definitions and for vehicle rental tax; in research and development tax credit, further providing for limitation on credits; in entertainment production tax credit, further providing for definitions, for credit for qualified film production expenses, for limitations, for reissuance of film production tax credits and for limitations; in Waterfront Development Tax Credit, further providing for limitations; in City Revitalization and Improvement Zones, further providing for reports, for restrictions and for confidentiality; in Innovate in PA tax credit, further providing for duties; in Neighborhood Improvement Zones, further providing for confidentiality; in Keystone Opportunity Zones, Keystone Opportunity Expansion Zones and Keystone Opportunity Improvement Zones, further providing for extension for new job creation or new capital investment and for additional keystone opportunity expansion zones; providing for airport land development zones and for Pennsylvania child and dependent care enhancement program and for tax credit; in inheritance tax, further providing for transfers not subject to tax; in Public Transportation Assistance Fund, further providing for Public Transportation Assistance Fund; in table game taxes, providing for General Fund deposit; in Computer Data Center Equipment Incentive Program, further providing for definitions, for sales and use tax exemption, for eligibility requirements and for revocation of certification; in general provisions, providing for allocation of tax credits; making transfers; and making related repeals.

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

Section 1. Section 201(n) and (p) of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, are amended, subsection (b)(3.5) is amended by adding a subparagraph, subsections (i), (k) and (o) are amended by adding

paragraphs and the section is amended by adding subsections to read:

Section 201. Definitions.--The following words, terms and phrases when used in this Article II shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

* * *

(b) "Maintaining a place of business in this Commonwealth."

* * *

(3.5) * * *

(iii) For a peer-to-peer car-sharing program marketplace facilitator, this activity includes all sales, leases and deliveries of tangible personal property and all sales of services by the marketplace seller whose sales are facilitated through the peer-to-peer car-sharing program.

* * *

(i) "Resale."

* * *

(6) The term does not include the purchase price or repair of a shared vehicle by a shared vehicle owner.

* * *

(k) "Sale at retail."

* * *

(20) Car sharing through a shared vehicle owner, peer-to-peer car-sharing program marketplace facilitator or rental company.

* * *

(n) "Taxpayer." Any person required to pay or collect the tax imposed by this article, including a marketplace facilitator [and], a marketplace seller, **a peer-to-peer car-sharing program marketplace facilitator and a shared vehicle owner.**

(o) "Use."

* * *

(19) Car sharing through a shared vehicle owner, peer-to-peer car-sharing program marketplace facilitator or rental company.

(p) "Vendor." Any person maintaining a place of business in this Commonwealth, selling or leasing tangible personal property, or rendering services, the sale or use of which is subject to the tax imposed by this article, including a marketplace facilitator [and a], marketplace seller, **peer-to-peer car-sharing program marketplace facilitator or shared vehicle owner**, but not including any employe who in the ordinary scope of employment renders services to his employer in exchange for wages and salaries.

* * *

(mmm) "Flight simulator." A device used for the training or instruction of an individual on a helicopter and similar rotorcraft.

(nnn) "Car-sharing program agreement." The terms and conditions that govern the use of a shared vehicle through a peer-to-peer car-sharing program.

(ooo) "Peer-to-peer car sharing." The authorized use of a shared vehicle by an individual, other than the owner of the vehicle, through a peer-to-peer car-sharing program.

(ppp) "Peer-to-peer car-sharing payment." Full consideration paid or delivered, or promised to be paid or delivered, to the peer-to-peer car-sharing marketplace facilitator under a car-sharing program agreement, excluding charges for local sales or use tax, State sales or use tax or public transportation assistance fund fees.

(qqq) "Peer-to-peer car-sharing program." A business platform that, through a peer-to-peer car-sharing marketplace, connects shared vehicle owners with drivers to enable the sharing of vehicles for financial consideration.

(rrr) "Peer-to-peer car-sharing program marketplace." A forum on which a shared vehicle is listed or advertised for peer-to-peer car sharing.

(sss) "Peer-to-peer car-sharing program marketplace facilitator." A person that facilitates peer-to-peer car sharing through a peer-to-peer car-sharing marketplace and either directly or indirectly, through agreements or arrangements with third parties, collects the peer-to-peer car-sharing payment from the purchaser and transmits the payment to the shared vehicle owner.

(ttt) "Shared vehicle." A vehicle that is available for sharing, including through a peer-to-peer car-sharing program.

(uuu) "Shared vehicle owner." The registered owner, or a person designated by the registered owner, of a vehicle made available for sharing, including through a peer-to-peer car-sharing program.

Section 2. Section 204(67) and (68) of the act, amended June 30, 2021 (P.L.124, No.25), are amended to read:

Section 204. Exclusions from Tax.--The tax imposed by section 202 shall not be imposed upon any of the following:

* * *

(67) The sale at retail or use of repair or replacement parts or software or software upgrades, including the installation of those parts, software or software upgrades, exclusively for use in helicopters and similar rotorcraft and flight simulators or in overhauling or rebuilding of helicopters and similar rotorcraft and flight simulators or helicopters and similar rotorcraft and flight simulator components. [For the purposes of this clause, the term "flight simulator" shall mean a device used for the training or instruction of an individual on a helicopter and similar rotorcraft.]

(68) The sale at retail or use or lease of helicopters and similar rotorcraft, and flight simulators, as well as training materials, operational documents and publications relating to the use or operation of helicopters and similar rotorcraft and flight simulators. [For the purposes of this clause, the term "flight simulator" shall mean a device used for the training or instruction of an individual on a helicopter and similar rotorcraft.]

* * *

Section 3. Section 208(a) of the act is amended to read:

Section 208. Licenses.--(a) Every person maintaining a place of business in this Commonwealth, with the exception of a marketplace seller who makes no sales outside a forum for which a marketplace facilitator is required to collect sales tax on the seller's behalf **and a shared vehicle owner who makes no vehicle available for sharing outside a forum for which a peer-to-peer car-sharing program marketplace facilitator is required to collect sales tax on behalf of the shared vehicle owner**, selling or leasing services or tangible personal property, the sale or use of which is subject to tax and who has not hitherto obtained a license from the department, shall, prior to the beginning of business thereafter, make application to the department, on a form prescribed by the department, for a license. If such person maintains more than one place of business in this Commonwealth, the license shall be issued for the principal place of business in this Commonwealth.

* * *

Section 4. Section 303(a.3) and (a.5) of the act are amended and subsection (a.7) is amended by adding paragraphs to read:

Section 303. Classes of Income.--* * *

(a.3) The cost of property commonly referred to as Section 179 Property may be treated as a deductible expense only to the extent allowable under the version of section 179 of the Internal Revenue Code in effect at the time the property is placed in service [or under section 179 of the Internal Revenue Code of 1986 (26 U.S.C. § 179), whichever is earlier]. The basis of Section 179 Property shall be reduced, but not below zero, for costs treated as a deductible expense. The amount of the reduction shall be the amount deducted on a return and not disallowed, regardless of whether the deduction results in a reduction of income.

* * *

(a.5) The requirements of [section] **sections 1031 and 1035** of the Internal Revenue Code of 1986 (26 U.S.C. [§ 1035] §§ **1031 and 1035**), as amended, shall be applicable.

* * *

(a.7) The following apply:

* * *

(5) **As follows:**

(i) **The classes of income under this section shall not include any amount which is excluded from Federal gross income under sections 276 and 278(a) of the COVID-Related Tax Relief Act of 2020, enacted as Subtitle B of Title II of Division N of the Consolidated Appropriations Act, 2021 (Public Law 116-260, 134 Stat. 1182).**

(ii) **No deduction may be disallowed from an expense that is otherwise deductible if the payment of the expense results in forgiveness of a covered loan under subparagraph (i).**

(6) **The classes of income under this section shall not include a payment received by an individual from the United States under section 2201 of the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-136, 134 Stat. 281) or sections 272 and 273 of the Consolidated Appropriations Act, 2021.**

* * *

Section 5. Section 330.2 of the act is repealed:

[Section 330.2. COVID-19 Emergency Finance and Tax Provision.--(a) The General Assembly finds and declares that there are circumstances under which it is impossible to effectively comply with law relating to State finance or State tax, and during such circumstances, it is necessary for Commonwealth agencies to exercise powers and duties provided under this section.

(d) (1) This subsection shall provide permanent authority to the Department of Community and Economic Development to deal with local taxation. Notwithstanding The Local Tax Enabling Act, the filing deadline of a final return under Chapter 5 of The Local Tax Enabling Act and related statutory provisions, ordinances and resolutions shall coincide with the filing deadline for a tax return under section 330.

(2) This subsection shall not expire.]

Section 6. Section 401(3)2(a)(17) of the act is amended and the section is amended by adding a phrase to read:

Section 401. Definitions.--The following words, terms, and phrases, when used in this article, shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

* * *

(3) "Taxable income." * * *

2. In case the entire business of any corporation, other than a corporation engaged in doing business as a regulated investment company as defined by the Internal Revenue Code of 1986, is not transacted within this Commonwealth, the tax imposed by this article shall be based upon such portion of the taxable income of such corporation for the fiscal or calendar year, as defined in subclause 1 hereof, and may be determined as follows:

(a) Division of Income.

* * *

(17) Sales, other than sales under paragraphs (16) and (16.1), are in this State [if:

(A) The income-producing activity is performed in this State; or

(B) The income-producing activity is performed both in and outside this State and a greater proportion of the income-producing activity is performed in this State than in any other state, based on costs of performance.] as follows:

(C) Gross receipts from the lease or license of intangible property, including a sale or exchange of property where the receipts from the sale or exchange derive from payments that are contingent on the productivity, use or disposition of the property, if and to the extent the property is used in this State.

(D) Gross receipts from the sale of intangible property where the property sold is a contract right, government license or similar property that authorizes the holder to conduct a business activity in a specific geographic area, if and to the extent the property is used in or otherwise associated with this State.

(E) Gross receipts from the sale, redemption, maturity or exchange of securities, held by the taxpayer primarily for sale to customers in the ordinary course of its trade or business, if the customers are in this State.

(F) Gross receipts received by a corporation that regularly lends funds to unaffiliated entities or to individuals from interest, fees and penalties imposed in connection with loans secured by real property as follows:

(i) The following shall apply to a calculation under this subparagraph:

(I) The numerator of the sales factor shall include interest, fees and penalties imposed in connection with loans secured by real property if the property is located within this State.

(II) If the real property under this subparagraph is located both within this State and one or more other states, the gross receipts under this subparagraph shall be included in the numerator of the sales factor if more than fifty per cent of the fair market value of the real property is located within this State.

(III) If more than fifty per cent of the fair market value of real property under this subparagraph is not located within any single state, the gross receipts under this subparagraph shall be included in the numerator of the sales factor if the borrower is located in this State.

(ii) The determination of whether real property securing a loan is located within this State shall be made as of the time the original agreement was made, and all subsequent substitutions of collateral shall be disregarded.

(G) Gross receipts received by a corporation that regularly lends funds to unaffiliated entities or to individuals from interest, fees and penalties imposed in connection with loans

related to the sale of tangible personal property. The following shall apply to a calculation under this subparagraph:

(i) Except as provided under unit (ii), the numerator of the sales factor shall include gross receipts received from interest, fees and penalties imposed in connection with loans related to the sale of tangible personal property if the property is delivered or shipped to a purchaser in this State.

(ii) The following shall apply:

(I) Gross receipts received by a corporation that regularly lends funds to unaffiliated entities or to individuals from interest, fees and penalties imposed in connection with loans related to the sale of transportation property shall be included in the numerator of the sales factor to the extent that the property is used in this State.

(II) The extent an aircraft shall be deemed to be used in this State and the amount of gross receipts that shall be included in the numerator of the sales factor shall be determined by multiplying all the gross receipts from the interest, fees and penalties imposed in connection with loans related to the sale of the aircraft by a fraction, the numerator of which is the number of landings of the aircraft in this State and the denominator of which is the total number of landings of the aircraft.

(III) A motor vehicle shall be deemed to be used wholly in the state in which it is registered.

(IV) If the extent of the use of transportation property within this State cannot be determined, the property shall be deemed to be used wholly in the state in which the property was delivered or shipped to the purchaser.

(H) Gross receipts received by a corporation that regularly lends funds to unaffiliated entities or to individuals from interest, fees and penalties imposed in connection with loans not described in subparagraph (F) or (G), if the borrower is located in this State.

(I) Gross receipts received from interest, fees and penalties in the nature of interest from credit card receivables and gross receipts from fees charged to cardholders, such as annual fees, if the billing address of the cardholder is in this State.

(J) Gross receipts received from interest, not otherwise described in this paragraph, shall be included in the numerator of the sales factor if the lender's commercial domicile is in this State.

(K) Gross receipts received from intangible property, not otherwise described in this paragraph, shall be excluded from the numerator and the denominator of the sales factor.

(L) The department shall promulgate the rules and regulations necessary to implement this paragraph.

* * *

(11) "Unaffiliated entity." Any entity that is not an affiliated entity as defined under section 401(10).

Section 7. Sections 402, 902, 902.1(d), 1601-A, 1602-A and 1709-B(a) of the act are amended to read:

Section 402. Imposition of Tax.--(a) A corporation shall be subject to and shall pay an excise tax for exercising, whether in its own name or through any person, association, business trust, corporation, joint venture, limited liability company, limited partnership, partnership or other entity, any of the following privileges:

(1) Doing business in this Commonwealth.

(2) Carrying on activities in this Commonwealth, including solicitation which is not protected activity under the act of September 14, 1959 (Public Law 86-272, 15 U.S.C. § 381 et seq.).

(3) Having capital or property employed or used in this Commonwealth.

(4) Owning property in this Commonwealth.

(5) (i) **Having substantial nexus in this Commonwealth.** Substantial nexus in this Commonwealth means a direct or indirect business activity that is sufficient to grant the Commonwealth authority under the Constitution of the United States to impose tax under this article and for which a basis exists under section 401 to apportion or allocate the corporation's income to this Commonwealth.

(ii) For purposes of this section, business activity includes, but is not limited to:

(A) the leasing or licensing of intangible property that is utilized in this Commonwealth;

(B) regularly engaging in transactions with customers in this Commonwealth involving intangible property, including loans made by a corporation that regularly lends funds to unaffiliated entities or to individuals; or

(C) sales of intangible property that was utilized by the corporation within this Commonwealth.

(iii) There shall be a rebuttable presumption that a corporation with \$500,000 or more of sales sourced in the current tax year to this Commonwealth under section 401 has substantial nexus in this Commonwealth without regard to physical presence in this Commonwealth.

(6) Paragraph (5) shall not apply to an affiliated entity domiciled in a foreign nation which has in force a comprehensive income tax treaty with the United States providing for the allocation of all categories of income subject to taxation, or the withholding of tax, on royalties, licenses, fees and interest for the prevention of double taxation of the respective nations' residents and the sharing of information.

(b) The annual rate of tax on corporate net income imposed by subsection (a) for taxable years beginning for the calendar year or fiscal year on or after the dates set forth shall be as follows:

Taxable Year	Tax Rate
January 1, 1995, [and each taxable year thereafter through December 31, 2022	9.99%]
January 1, 2023, through December 31, 2023	9.99%
January 1, 2024, through December 31, 2024	8.99%
January 1, 2025, through December 31, 2025	8.49%
January 1, 2026, through December 31, 2026	7.99%
January 1, 2027, through December 31, 2027	7.49%
	6.99%

January 1, 2028, through December 31, 2028	6.49%
January 1, 2029, through December 31, 2029	5.99%
January 1, 2030, through December 31, 2030	5.49%
January 1, 2031, and each taxable year thereafter	4.99%

(c) An entity subject to taxation under Article VII, VIII, IX or XV shall not be subject to the tax imposed by this article.

Section 902. (a) Imposition of Tax.--Every insurance company, as herein defined, transacting business in the Commonwealth of Pennsylvania, shall pay to the department, a tax at the rate of two per cent of the gross premiums received from business done within this Commonwealth during each calendar year.[, except that any insurance company which was not subject to this tax prior to 1971 shall be taxed at the rate of one per cent for the year 1971 and thereafter at the rate of two per cent.]

(b) Disposition of Taxes.--[The taxes paid by foreign fire insurance companies under this article shall continue to be distributed and used for firemen's relief pension or retirement purposes, as provided by section two of the act, approved the twenty-eighth day of June, one thousand eight hundred ninety-five (Pamphlet Laws 408), as amended; and the taxes paid by foreign casualty insurance companies under this article shall continue to be distributed and used for police pension, retirement or disability purposes as provided by the act, approved the twelfth day of May, one thousand nine hundred forty-three (Pamphlet Laws 259), as amended.]

(c) Other Taxes.--All other taxes received under this article shall be credited to the General Fund for general revenue purposes.] **The total of the money received from the following taxes and charges shall be deposited into the General Fund:**

- (1) The tax imposed by subsection (a).
- (2) The retaliatory charge imposed by section 212 of the act of May 17, 1921 (P.L.789, No.285), known as "The Insurance Department Act of 1921."
- (3) The surplus lines tax imposed by section 1621 of the act of May 17, 1921 (P.L.682, No.284), known as "The Insurance Company Law of 1921."
- (4) The tax on independently procured insurance imposed by section 1622 of "The Insurance Company Law of 1921."
- (5) The marine insurance tax imposed by section 2 of the act of May 13, 1927 (P.L.998, No.486), entitled "An act imposing a tax for State purposes on marine insurance underwriting profits, and providing for the collection of such tax."
- (6) The tax on contracts with unauthorized companies imposed by section 1 of the act of July 6, 1917 (P.L.723, No.262), entitled "An act imposing a tax on premiums of insurance and reinsurance in foreign insurance companies and associations not registered in this Commonwealth; providing the method of collection of such tax, and imposing penalties."

(b.1) The following transfers will occur each fiscal year:

- (1) Fire Insurance Tax Fund:

(i) On or before June 30, 2023, and on or before each June 30 thereafter, the greater of eighty-five million dollars (\$85,000,000) or eight and one-half per cent of the total taxes and charges under subsection (b) received during the current fiscal year shall be transferred to the Fire Insurance Tax Fund.

(ii) On or before July 15, 2023, and on or before each July 15 thereafter, if taxes or charges are deposited after the transfer under subparagraph (i) and before July 1, 2023, and each July 1 thereafter, an additional transfer shall occur if eight and one-half per cent of total collections under subsection (b) for the prior fiscal year is greater than eighty-five million dollars (\$85,000,000). The calculation for the additional transfer shall equal eight and one-half per cent of the total taxes and charges under subsection (b) minus the transfer amount under subparagraph (i).

(iii) The transfers under subparagraphs (i) and (ii) shall be used for firemen's relief pension or retirement purposes, as provided by section 706(b) of the act of December 18, 1984 (P.L.1005, No.205), known as the "Municipal Pension Plan Funding Standard and Recovery Act."

(2) Municipal Pension Aid Fund:

(i) On or before June 30, 2023, and on or before each June 30 thereafter, the greater of three hundred forty-five million dollars (\$345,000,000) or thirty-eight per cent of the total taxes and charges under subsection (b) received during the current fiscal year shall be transferred to the Municipal Pension Aid Fund.

(ii) On or before July 15, 2023, and on or before each July 15 thereafter, if taxes or charges are deposited after the transfer under subparagraph (i) and before July 1, 2023, and each July 1 thereafter, an additional transfer shall occur if thirty-eight per cent of total collections under subsection (b) for the prior fiscal year is greater than three hundred forty-five million dollars (\$345,000,000). The calculation for that additional transfer shall equal thirty-eight per cent of the total taxes and charges under subsection (b) minus the transfer amount under subparagraph (i).

(iii) The transfers under subparagraphs (i) and (ii) shall be used for police pension, retirement or disability purposes as provided by the act of May 12, 1943 (P.L.259, No.120), entitled "An act providing for the payment by the State Treasurer, of the amount of the tax on premiums paid by foreign casualty insurance companies, to the treasurers of the several cities, boroughs, towns, townships, and certain counties, and for the payment thereof into police pension funds, and in certain cases into the Municipal Employees' Retirement System, and for Pension Annuity Contracts, and in certain other cases into the State Employees' Retirement Fund, for certain purposes."

Section 902.1. Credits for Assessments Paid.--* * *

[(d) The credits allowed by this section shall not reduce the amounts which would otherwise be payable for firemen's relief pension or retirement purposes or for police pension, retirement or disability purposes. The department shall transfer by June 30 of each fiscal year an amount equal to the credits taken under this section by foreign fire and casualty insurance companies from the General Fund to the Municipal Pension Aid Fund and the Fire Insurance Tax Fund, as appropriate.]

* * *

Section 1601-A. Definitions.--The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

"Peer-to-peer car-sharing program." As defined under section 201 (qqq) .

"Rental vehicle." A private passenger motor vehicle designed to transport fifteen or fewer passengers or a truck, trailer or semitrailer used in the transportation of property other than commercial freight, that is rented without a driver and is part of a fleet of five or more rental vehicles used for that purpose, owned or leased by the same person or entity.

"Shared vehicle." A vehicle that is available for sharing through a peer-to-peer car-sharing program. The term does not include a rental vehicle as defined under this article.

"Vehicle rental company." Any business entity engaged in the business of renting motor vehicles in this Commonwealth.

Section 1602-A. Vehicle Rental Tax.--(a) [Each] **Except as provided under subsection (b), each** vehicle rental company shall collect, at the time the rental vehicle is rented in this Commonwealth, on each rental contract for a period of twenty-nine or fewer consecutive days, a tax equal to two per cent of the purchase price of the rental.

(b) The tax imposed under subsection (a) shall not apply to a shared vehicle that is rented through a peer-to-peer car-sharing program.

Section 1709-B. Limitation on Credits.--(a) The total amount of credits approved by the department shall not exceed [fifty-five million dollars (\$55,000,000)] **sixty million dollars (\$60,000,000)** in any fiscal year. Of that amount, [eleven million dollars (\$11,000,000)] **twelve million dollars (\$12,000,000)** shall be allocated exclusively for small businesses. However, if the total amounts allocated to either the group of applicants exclusive of small businesses or the group of small business applicants is not approved in any fiscal year, the unused portion will become available for use by the other group of qualifying taxpayers.

* * *

Section 8. The definition of "multifilm" in section 1711-D of the act, added June 30, 2021 (P.L.124, No.25), is amended and the section is amended by adding definitions to read:
Section 1711-D. Definitions.

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

* * *

["Multifilm." A series of separate and distinct films produced by the same taxpayer over a period of no less than one year and no more than four years from the time of application.]

"Multifilm production." A series of separate and distinct films that are produced by the same taxpayer, or directly or indirectly produced by the same taxpayers who have no less than 80% common ownership, over a period of no more than four years from the time of application.

* * *

"Pennsylvania film producer." A Pennsylvania domiciled film production company that meets the following:

(1) The principal tax jurisdiction is this Commonwealth.

(2) A majority of the taxpayer's owners are Pennsylvania residents.

(3) The taxpayer employs fewer than 15 full-time employees.

* * *

Section 9. Section 1712-D(b)(7.1) of the act, added June 30, 2021 (P.L.124, No.25), is amended and the subsection is amended by adding paragraphs to read:

Section 1712-D. Credit for qualified film production expenses.
* * *

(b) Review and approval.--The department shall establish application periods not to exceed 90 days each. All applications received during the application period shall be reviewed and evaluated by the department based on the following criteria:

* * *
(5.1) For a Pennsylvania film producer, the portion of all preproduction expenses, production expenses and postproduction expenses incurred in Pennsylvania.

* * *
(7.1) If a multifilm **production** application is submitted, the department shall consider the ability of the taxpayer to produce multiple films within this Commonwealth during the proposed period of production and the potential economic impact, including tourism impact, of the multiple films to this Commonwealth. **The taxpayer may supplement the multifilm production application with additional films during the period of production. The department may annually extend the multifilm production application's period of production before the expiration of the period of production. The taxpayer may not include a film in the multifilm production application that was the subject of an application submitted under this subsection before January 1, 2022.**

(7.2) The film will be produced by a Pennsylvania film producer.

* * *
Section 10. Section 1716-D(a) introductory paragraph of the act is amended and the section is amended by adding subsections to read:

Section 1716-D. Limitations.

(a) Cap.--Except for tax credits reissued under section 1716.1-D, in no case shall the aggregate amount of tax credits awarded in any fiscal year under this subarticle exceed [\$70,000,000] **\$100,000,000**. The department may, in its discretion, award in one fiscal year up to:

* * *
(e) Pennsylvania film producer reserve.--The department shall annually reserve and allocate \$5,000,000 of the tax credits authorized under this subarticle in support of projects produced by a Pennsylvania film producer. A Pennsylvania film producer shall not be limited in eligibility for a tax credit solely to the Pennsylvania film producer reserve in any fiscal year.

(f) If the total amount of tax credits reserved and allocated under subsection (e) is not awarded in a fiscal year, the amount not awarded shall be made available for use by taxpayers who are not Pennsylvania film producers.

Section 11. Sections 1716.1-D(a)(4) and 1777-D(a)(1) of the act, amended or added June 30, 2021 (P.L.124, No.25), are amended to read:

Section 1716.1-D. Reissuance of film production tax credits.

(a) Reissuance.--In any fiscal year, the department may reissue a tax credit which meets all of the following:

* * *
(4) If an individual film that was issued a tax credit as part of a multifilm **production** application is canceled, the department may reissue that tax credit only after allowing the taxpayer **or the taxpayer's affiliate** 90 days to submit an application for an alternative individual film, produced by the taxpayer **or the taxpayer's affiliate** for

that tax credit. The department may approve or reject the application.

* * *

Section 1777-D. Limitations.

(a) Cap.--

(1) The aggregate amount of tax credits awarded in a fiscal year under this subarticle may not exceed [\$8,000,000] **\$24,000,000.**

* * *

Section 12. Sections 1708-K(4), 1809-C(c)(2), 1813-C(a)(1.1), 1817-C(a), 1805-F(c) and 1908-B of the act are amended to read:

Section 1708-K. Limitations.

The following limitations shall apply to the tax credits:

* * *

(4) The total amount of all tax credits shall not exceed [\$1,500,000] **\$5,000,000** in any one fiscal year.

* * *

Section 1809-C. Reports.

* * *

(c) Penalties.--

* * *

(2) [A penalty for a violation of subsection (a) shall be imposed, assessed and collected by the department] **The department shall notify the contracting authority of all qualified businesses that violated subsection (a) prior to December 31 of the year in which the report was to be filed. A penalty for a violation of subsection (a) shall be imposed, assessed and collected by the department** under procedures set forth in Article II. Money collected under this paragraph shall be deposited in the General Fund.

* * *

Section 1813-C. Restrictions.

(a) Utilization.--Money transferred under section 1812-C may only be utilized for the following:

* * *

(1.1) Payment of debt service on bonds issued or refinanced to establish a revolving [loan] fund that will provide financial assistance in the form of a **grant or a loan** to a qualified business acquiring property for the business, constructing a new facility, reconstructing or renovating an existing facility or acquiring new equipment to be used by the qualifying business in a zone.

* * *

Section 1817-C. Confidentiality.

(a) Sole use.--A zone report or certification under this article shall only be used by the contracting authority to verify the amount of the State tax baseline amount calculated under section 1810-C [and], **the State tax certification under section 1811-C and the amount allocated to any uses specified under section 1813-C.**

* * *

Section 1805-F. Duties.

* * *

[(c) Transfers of amounts.--In a fiscal year in which a tax credit is claimed under this article, the State Treasurer shall, prior to June 30 of the fiscal year, do all of the following:

(1) Transfer an amount from the General Fund equal to the amount of premiums tax credits claimed by a foreign fire insurance company against taxes that otherwise would be distributed in accordance with Chapter 7 of the act of December 18, 1984 (P.L.1005, No.205), known as the Municipal

Pension Plan Funding Standard and Recovery Act, to the fund as defined in section 702 of the Municipal Pension Plan Funding Standard and Recovery Act.

(2) Transfer from the General Fund an amount equal to the amount of a premiums tax credit claimed by a foreign casualty insurance company against taxes that otherwise would be distributed and used for police pension, retirement or disability purposes as provided by the act of May 12, 1943 (P.L.259, No.120), referred to as the Foreign Casualty Insurance Premium Tax Allocation Law, for distribution in accordance with the Foreign Casualty Insurance Premium Tax Allocation Law.]

Section 1908-B. Confidentiality.

Notwithstanding any law providing for the confidentiality of tax records, the contracting authority and the local taxing authorities shall have access to any reports and certifications filed under this article, and the contracting authority shall have access to any State or local tax information filed by a qualified business in the neighborhood improvement zone solely for the purpose of documenting the certifications required by this article **or determining the amount allocated to any uses specified under section 1904-B(e)(1)**. Any other use of the tax information shall be prohibited as provided under law.

Section 13. Section 1912-D(d) of the act is amended and the section is amended by adding subsections to read:

Section 1912-D. Extension for new job creation or new capital investment.

* * *

(a.1) Affiliates.--If an affiliate of a qualified business whose individual or joint extension application under subsection (a) was approved and the affiliate locates within an extended parcel before the expiration of the certification issued under subsection (b)(3), the affiliate is entitled to the tax exemptions, deductions, abatements or credits specified under this section, provided the affiliate meets the requirements of section 307(a) of the KOZ Act.

* * *

(d) Expiration.--**The following apply:**

(1) All continuations shall expire no later than 10 years following the effective date of certification by the department.

(2) If the qualified business that is a sole applicant removes itself from the [continued] **extended** parcel or parcel prior to the expiration of the [continuation, the continuation] **extension and no affiliate remains within the continued parcel, the extension** shall expire upon the date of departure of that qualified business. **If one or more affiliates remain within the extended parcel, the extension shall expire upon the date of departure of the last remaining affiliate or upon the expiration of the extension date, whichever occurs first.**

(3) If two or more qualified businesses submitted an application under subsection (a) as joint applicants[, this subsection shall apply only if all the qualified businesses that were the joint applicants remove themselves from the parcel prior to the expiration of the continuation. In that case, the continuation] **and all the joint applicants remove themselves from the parcel prior to the expiration of the extension and no affiliate of a joint applicant is located on or remains within the extended parcel, the extension shall expire upon the date of departure of the last qualified**

business. If one or more affiliates remain, the extension shall expire upon the departure date of the last remaining affiliate or upon the expiration of the extension date, whichever occurs first.

* * *

(f) Definitions.--As used in this section, the following words and phrases shall have the meanings given to them in this subsection unless the context clearly indicates otherwise:

"Affiliate." A person who directly or indirectly:

- (1) owns or controls another person;
- (2) is owned or controlled by another person; or
- (3) is under common ownership or control with another person.

"Person." As defined under 1 Pa.C.S. § 1991 (relating to definitions).

Section 14. Section 1921-D(d) (1) and (3) of the act, amended June 30, 2021 (P.L.124, No.25), are amended to read:

Section 1921-D. Additional keystone opportunity expansion zones.

* * *

(d) Application.--

(1) In order to receive a designation under this section, the department must receive an application from a political subdivision or its designee no later than October 1, [2022] **2023**. The application must contain the information required under section 302(a) (1), (2)(i) and (ix), (5) and (6) of the KOZ Act.

* * *

(3) The department shall act on an application for a designation under section 302(a) (1) of the KOZ Act by December 31, [2022] **2023**.

* * *

Section 15. The act is amended by adding articles to read:

ARTICLE XIX-H

AIRPORT LAND DEVELOPMENT ZONES

Section 1901-H. Definitions.

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

"Affiliate." As follows:

- (1) an entity which is part of the same affiliated group as defined in section 1504(a) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1504(a)), as an airport land development zone employer; or
- (2) an entity that would be part of the same affiliated group except that the entity or the airport land development zone employer is not a corporation.

"Airport." A commercial service airport or a noncommercial service airport.

"Airport land development zone." As follows:

(1) An area of no more than 300 acres, consisting of parcels of real property that are owned by a commercial service airport or leased under paragraph (3), with, as of December 31, 2021, no permanent vertical structures affixed or buildings with businesses located in the structures. The total acres for all commercial service airports in the program may not exceed 2,000 acres.

(2) An area of no more than 50 acres, consisting of parcels of real property that are owned by a noncommercial service airport or leased under paragraph (3), with, as of December 31, 2021, no permanent vertical structures affixed or vacant buildings with businesses located in the

structures. The total acres for all noncommercial service airports in the program may not exceed 2,000 acres.

(3) A parcel of real property in the zone may be leased or ground leased to a third party while continuing to be owned by a commercial service airport or a noncommercial service airport for the duration of the program.

"Airport land development zone employer." A person or entity subject to the taxes imposed under Article III, IV, VII, VIII or XV who employs at least one employee in an airport land development zone. The term shall include a pass-through entity. The term shall not include an employer engaged in construction improvements in an airport land development zone.

"Airport land development zone plan." The document submitted to the department that details the parcels included in the airport land development zone by an airport. The plan shall include the following:

(1) A legal description, identification number and acreage of each parcel included in the zone.

(2) Certification by an airport that any building in the zone was vacant and any parcel in the zone had no permanent vertical structures affixed to the parcel on or after December 31, 2021.

(3) A map and diagram of each parcel included in the plan.

"Commercial service airport." A publicly owned airport with at least 2,500 annual enplanements and scheduled air carrier service. The term includes a public use airport in a county of the fourth class with a population of between 140,000 and 148,000 people under the 2020 decennial census.

"Department." The Department of Community and Economic Development of the Commonwealth.

"Employee." An individual who meets all of the following:

(1) Is employed in this Commonwealth by an airport land development zone employer or its predecessor after the effective date of this section.

(2) Is employed for at least 35 hours per week by an airport land development zone employer.

(3) Spends at least 90% of the individual's working time for the airport land development zone employer at the airport land development zone location.

"Full-time equivalent employee." As follows:

(1) The whole number of employees, rounded down, that equals the sum of:

(i) the total paid hours, including paid time off and family leave under the Family and Medical Leave Act of 1993 (Public Law 103-3, 29 U.S.C. § 2601 et seq.), of all of an airport land development zone employer's employees classified as nonexempt during the airport land development zone employer's tax year divided by 2,000; and

(ii) a total number arrived at by adding, for each airport land development zone employer's employees classified as exempt scheduled to work at least 35 hours per week, the fraction equal to the portion of the year the exempt employee was paid by the airport land development zone employer. Whether an employee shall be classified as exempt or nonexempt shall be determined under the Fair Labor Standards Act of 1938 (52 Stat. 1060, 29 U.S.C. § 201 et seq.).

(2) The calculation under paragraph (1) shall exclude employees previously employed by an affiliate and employees

previously employed by the airport land development zone employer outside of an airport land development zone.

"Noncommercial service airport." An airport that is publicly or privately owned, open to the public, with less than 2,500 annual enplanements and without scheduled air carrier service.

"Pass-through entity." A partnership as defined in section 301(n.0) or a Pennsylvania S corporation as defined in section 301(n.1).

"Plan." An airport land development zone plan.

"Program." The Airport Land Development Zone Program established under section 1902-H.

"Qualified tax liability." A tax owed by an airport land development zone employer attributable to a business activity conducted within an airport land development zone for a tax year under Article III, IV, VII, VIII or XV, excluding any tax withheld by an employer under Article III.

"Zone." An airport land development zone.

Section 1902-H. Airport Land Development Zone Program.

The Airport Land Development Zone Program is established to encourage and promote the creation of new jobs on land and buildings owned by airports within this Commonwealth, while accelerating economic activity at and around airports on undeveloped land or vacant buildings owned by airports that can provide new revenue sources for airports.

Section 1903-H. Application and plan.

(a) Application.--Within four months of the effective date of this section, the department shall publish guidelines and an application for airports.

(b) Filing plan.--The department shall begin accepting plans from each airport 30 days after the department publishes the guidelines and application.

(c) Approval of plan.--Upon receipt of a plan submitted by an airport under subsection (b), the department shall have 60 calendar days to review the plan for appropriateness and conformity. If the proposed plan conforms with this article, the department shall approve the plan. If the proposed plan does not conform, the department shall notify the applicant in writing. The airport may revise the plan to make the plan conform with this article. Upon receipt of the revised plan, the department shall have 60 days to approve the revised plan.

(d) Acreage limit.--In the event the area covered by the aggregate applications received by the department would cause the area covered under the program to exceed the 2,000-acre zone limit, applications shall be approved by the department in the order received.

(e) Notification.--When a plan submitted by an airport under subsection (b) is approved, the department shall notify the Department of Revenue of parcels included in the zone within 60 days of approval.

(f) Change.--An airport may change the approved plan by subdividing a parcel, changing the legal description of a parcel, moving the zone designation to another qualifying parcel owned by an airport or making physical changes to a vacant building in the zone by adding to the building's size or reducing the building's size after the plan has been approved. If an airport chooses to make the changes, the airport shall notify the department and the Department of Revenue of the changes. The department shall issue a document confirming the changes to the airport's zone.

Section 1904-H. Airport land development zone tax credit.

(a) Tax credit.--An airport land development zone employer may claim a tax credit against a qualified tax liability as provided under this article.

(b) Process.--

(1) An airport land development zone employer shall notify the department and the Department of Revenue of the airport land development zone employer's qualification for a tax credit under this section by February 15 for tax credits earned during a taxable year ending in the prior calendar year.

(2) The notification under paragraph (1) shall contain the following:

(i) The name, address and taxpayer identification number of the airport land development zone employer.

(ii) Verification that the airport land development zone employer is an airport land development zone employer located in an airport land development zone.

(iii) A file prepared for the Department of Revenue containing the names, addresses and Social Security numbers of each employee for which the credit is claimed.

(iv) A file prepared for the Department of Revenue containing verification that each employee identified in subparagraph (iii) spent at least 90% of the employee's working time for the airport land development zone employer at the employer's airport land development zone location.

(v) Any other information required by the department or the Department of Revenue.

(3) To qualify for the credit, the Department of Revenue must certify that the airport land development zone employer is current with all tax liabilities.

(4) By May 15 of each year, the department shall send the airport land development zone employer who submitted the notification a certificate of the airport land development zone employer's qualification for the credit. The airport land development zone employer shall present the certificate to the Department of Revenue when filing the airport land development zone employer's return claiming the credit.

(c) Amount.--The amount of the tax credit an airport land development zone employer may earn in any tax year shall be equal to \$2,100 for each full-time equivalent employee in excess of the number of full-time equivalent employees employed by the airport land development zone employer prior to January 1, 2021.

(d) Application of tax credits.--An airport land development zone employer must first use the airport land development zone employer's airport land development zone tax credit against the airport land development zone employer's qualified tax liability.

(d.1) Sale or assignment of tax credit.--

(1) If the airport land development zone employer is entitled to a credit in any year that exceeds the airport land development zone employer's qualified tax liability for that year, upon application to and approval by the department, an airport land development zone employer that has been awarded a tax credit may sell or assign, in whole or in part, the tax credit granted to the airport land development zone employer. The application must be on the form required by the department and must include or demonstrate all of the following:

(i) The applicant's name and address.

(ii) A copy of the tax credit certificate previously issued by the department.

(iii) A statement as to whether any part of the tax credit has been applied to tax liability of the applicant and the amount so applied.

(iv) Any other information required by the department.

(v) Before an application for sale or assignment is approved, the Department of Revenue must find that the applicant has filed all required State tax reports and returns for all applicable taxable years and paid any balance of State tax due as determined at settlement, assessment or determination by the Department of Revenue.

(2) The department shall review the application and, if all requirements have been met, approve the application and notify the Department of Revenue.

(3) The purchaser or assignee of all or a portion of an airport land development zone tax credit under this section shall claim the credit in the taxable year in which the purchase or assignment is made. The purchaser or assignee of a tax credit may use the tax credit against any tax liability of the purchaser or assignee under Article III, IV, VII, VIII or XV, excluding any tax withheld by an employer under Article III. The amount of the tax credit used may not exceed 75% of the purchaser's or assignee's tax liability for the taxable year. The purchaser or assignee may not carry over, carry back, obtain a refund of or assign the airport land development zone credit. The purchaser or assignee shall notify the department and the Department of Revenue of the seller or assignor of the airport land development zone tax credit in compliance with procedures specified by the department.

(e) Use and carryforward.--

(1) An airport land development zone employer may earn the tax credit allowed under this article in any tax year beginning in 2022 and for a period of up to 10 tax years during the 20-year period beginning July 1, 2022, and ending June 30, 2041.

(2) An airport land development zone employer may carry forward for up to 10 years a tax credit earned under this article:

(i) which the airport land development zone employer is unable to use; or

(ii) which the airport land development zone employer does not sell or assign.

(3) Tax credits carried forward under paragraph (2) shall be used on a first-in, first-out basis.

(f) Dual-use prohibited.--Each year, an airport land development zone employer may only earn tax credits under subsection (c) or (d) or under the act of October 6, 1998 (P.L.705, No.92), known as the Keystone Opportunity Zone, Keystone Opportunity Expansion Zone and Keystone Opportunity Improvement Zone Act. An airport land development zone employer may not claim a credit under both this section and Article XVIII-B.

(g) Pass-through entities.--

(1) If an airport land development zone employer is a pass-through entity and has an unused tax credit under subsection (c), (d) or (e), the airport land development zone employer may elect in writing, according to procedures established by the Department of Revenue, to transfer all or a portion of the credit to shareholders, members or partners in proportion to the share of the entity's

distributive income to which the shareholder, member or partner is entitled.

(2) An airport land development zone employer that is a pass-through entity and a shareholder, member or partner of that airport land development zone employer may not both claim the airport land development zone tax credit earned by the airport land development zone employer for any tax year.

(3) A shareholder, member or partner of an airport land development zone employer that is a pass-through entity to whom a credit is transferred under this subsection shall immediately claim the credit in the taxable year in which the transfer is made.

(h) Transfer.--A tax credit or tax credit carryforward that an airport land development zone employer is entitled to use may be transferred to a successor entity of the airport land development zone employer.

(i) Penalties.--The following apply:

(1) A company which receives airport land development zone tax credits and fails to substantially maintain the operations related to the airport land development zone tax credits in this Commonwealth for a period of five years from the date the company first submits an airport land development zone tax credit certificate to the Department of Revenue shall be required to refund to the Commonwealth the total amount of credits granted.

(2) The department may waive the penalty under paragraph (1) if it is determined that a company's operations were not maintained or the new jobs were not created because of circumstances beyond the company's control. Circumstances shall include natural disasters, unforeseen industry trends or a loss of a major supplier or market.

ARTICLE XIX-I

PENNSYLVANIA CHILD AND DEPENDENT CARE ENHANCEMENT TAX CREDIT PROGRAM

Section 1901-I. Scope of article.

This article relates to the Pennsylvania child and dependent care enhancement tax credit program.

Section 1902-I. Definitions.

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

"Applicable percent." As defined in section 21(a)(2) of the Internal Revenue Code of 1986 in effect for the taxable year beginning after December 31, 2021, and ending before January 1, 2023.

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

"Employment-related expenses." As defined in section 21(b)(2) of the Internal Revenue Code of 1986.

"Internal Revenue Code of 1986." The Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.).

"Qualifying individual." As defined in section 21(b)(1) of the Internal Revenue Code of 1986.

"Resident individual." As defined in section 301.

"Section 21 of the Internal Revenue Code of 1986." Section 21 of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 21).

"Tax credit." The Pennsylvania child and dependent care enhancement tax credit provided for under this article.

"Tax liability." The liability for taxes imposed under Article III, excluding any tax withheld by an employer under Article III.

"Taxpayer." A resident individual subject to the tax imposed under Article III.

Section 1903-I. Credit for child and dependent care employment-related expenses.

(a) Tax credit.--For taxable years beginning after December 31, 2021, a taxpayer who receives a credit under section 21 of the Internal Revenue Code of 1986 may claim a tax credit against the taxpayer's tax liability.

(b) Amount of tax credit.--The amount of the tax credit under subsection (a) shall be equal to 30% of:

(1) the actual amount of employment-related expenses incurred by the taxpayer and claimed for the Federal tax credit under section 21 of the Internal Revenue Code of 1986 during the prior taxable year, or the following, as applicable, whichever is less:

(i) \$3,000 for one qualifying individual with respect to the taxpayer; or

(ii) \$6,000 for two or more qualifying individuals with respect to the taxpayer; multiplied by

(2) the applicable percent, with respect to the taxpayer, in effect for the taxable year beginning after December 31, 2021, and ending before January 1, 2023.

(c) Claim of tax credit.--A taxpayer shall claim a tax credit under this section on a return filed under section 330.

(d) Applicability of tax credit.--The tax credit under this section shall be applied against the taxpayer's tax liability. If the tax credit exceeds the taxpayer's tax liability, the department may issue a refund under the procedures set forth in section 346.

Section 1904-I. Prohibitions.

The following apply:

(1) A taxpayer is not entitled to carry over, carry back or sell, assign or transfer a tax credit under this article.

(2) A taxpayer may not claim a tax credit for the same employment-related expenses used to claim a tax credit on a return filed by another taxpayer.

Section 1905-I. Application of Internal Revenue Code of 1986.

The provisions of section 21 of the Internal Revenue Code of 1986 in effect as of the effective date of this section and any Federal regulations promulgated regarding those provisions shall apply to the department's interpretation and administration of the tax credit provided for under this article.

Section 1906-I. Departmental duties.

The department shall publish guidelines and may promulgate regulations necessary for the implementation and administration of this article.

Section 1907-I. Report to General Assembly.

(a) Annual report.--No later than March 1, 2024, and each March 1 thereafter, the department shall submit a report to the General Assembly indicating the effectiveness of the tax credit under this article.

(b) Information required.--The report required under subsection (a) shall include, but not be limited to, the following information:

(1) The number of tax credits approved under this article.

(2) The amount of tax credits approved under this article.

(3) The amount of tax credits claimed under this article.

(4) The amount of tax credits refunded under this article.

Section 15.1. Section 2111 of the act is amended by adding a subsection to read:

Section 2111. Transfers Not Subject to Tax.--(a) The transfers enumerated in this section are not subject to the tax imposed by this article.

* * *

(u) The transfer of personal property, whether tangible or intangible, that is the result of a decedent military member.

(1) For purposes of this subsection, the term "decedent military member" shall mean an individual who, while serving in the armed forces, a reserve component or the National Guard of the United States, died as a result of injury or illness received while on active duty, including active duty for training.

(2) The term shall include both Federal and State active duty as evidenced by official activation order.

Section 16. Section 2301(e.1) of the act is amended to read:
Section 2301. Public Transportation Assistance Fund.--* *

*

(e.1) (1) There is hereby imposed on each rental of a motor vehicle subject to tax under Article II and used in carsharing, **a peer-to-peer car-sharing program or car sharing by a shared vehicle owner** a fee for each day or part of a day computed according to the following schedule:

Rental Interval	Fee
Less than 2 hours	\$0.25
2 to 3 hours	\$0.50
More than 3, but less than [4] 6 hours	\$1.25
[4] 6 hours or more	\$2.00

(2) For purposes of this subsection, the term "carsharing" shall mean a membership-based service that provides an alternative to personal car ownership and which meets the following conditions:

(i) Does not require a trip-specific written agreement each time a member rents a vehicle.

(ii) Does not require an attendant to be present at the beginning or end of a rental.

(iii) Offers members access to a dispersed network of shared vehicles 24 hours per day, 7 days per week, 365 days per year.

(iv) Allows a vehicle to be rented on a per minute, per hour, per day, or per trip basis, and at per mile or per kilometer rates, which typically include fuel, insurance and maintenance.

(3) For purposes of this subsection:

(i) The term "peer-to-peer car-sharing program" shall be as defined in section 201(qqq).

(ii) The term "shared vehicle owner" shall be as defined in section 201(uuu).

Section 17. The act is amended by adding a section to read:
Section 2502.1. General Fund deposit.

Notwithstanding 4 Pa.C.S. § 13A62(c) (relating to table game taxes), beginning on July 1, 2022, the tax imposed under section 2502 and the tax imposed under 4 Pa.C.S. § 13A62(a) shall be deposited into the General Fund.

Section 18. The definition of "qualification period" in section 2901-D of the act is amended to read:

Section 2901-D. Definitions.

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

* * *

"Qualification period." [As] **Except as provided under sections 2931-D(d), 2935-D(b) and 2937-D(c), as follows:**

(1) With respect to the owner or operator of a computer data center certified under this article, a period of time beginning on the date of certification of the computer data center and expiring at the end of the fifteenth full calendar year following the calendar year in which the owner or operator filed an application for certification.

(2) With respect to a qualified tenant of the owner or operator of a computer data center certified under this article, a period of time beginning on the date that the qualified tenant enters into an agreement concerning the use or occupancy of the computer data center and expiring at the earlier of the expiration of the term of the agreement or the end of the 10th full calendar year following the calendar year in which the qualified tenant enters into the agreement.

* * *

Section 19. Section 2931-D of the act is amended by adding a subsection to read:

Section 2931-D. Sales and use tax exemption.

* * *

(d) **Definition.--As used in this section, the term "qualification period" shall mean the following:**

(1) **With respect to the owner or operator of a computer data center certified under this article, a period of time beginning on the date of certification of the computer data center and expiring at the end of the 25th full calendar year following the calendar year in which the owner or operator filed an application for certification.**

(2) **With respect to a qualified tenant of the owner or operator of a computer data center certified under this article, a period of time beginning on the date that the qualified tenant enters into an agreement concerning the use or occupancy of the computer data center and expiring at the earlier of the expiration of the term of the agreement or the end of the 10th full calendar year following the calendar year in which the qualified tenant enters into the agreement.**

Section 20. Sections 2935-D(b) and 2937-D(c) of the act, added June 30, 2021 (P.L.124, No.25), are amended to read: Section 2935-D. Eligibility requirements.

* * *

(b) **Prior applications.--A computer data center that has met the eligibility requirements as prescribed under section 2915-D and has, prior to July 1, 2021, been certified under section 2913-D shall be deemed to meet the certification requirements of this section. The certification shall not be revoked, except as provided under section 2917-D, and shall remain in effect for the remainder of the qualification period, as defined in section 2931-D(d).**

* * *

Section 2937-D. Revocation of certification.

* * *

(c) **Recapture.--If certification is revoked under this section, the qualification period, as defined in section 2931-D(d), of any owner or operator or qualified tenant of the computer data center shall expire and the department may recapture from the owner or operator or qualified tenant all**

or part of the tax exemption received by the owner or operator or qualified tenant under section 2942-D. The department may give special consideration or allow a temporary exemption from recapture of the tax exemption if there is extraordinary hardship due to factors beyond the control of the owner or operator or qualified tenant. The department may require the owner or operator or qualified tenant to file appropriate amended tax returns in order to reflect any recapture of the tax exemption.

* * *

Section 21. The act is amended by adding a section to read:

Section 3003.25. Allocation of Tax Credits.--(a)

Notwithstanding any other provision of this act, the amount of tax credits that may be awarded for tax credit programs specified under this subsection shall remain at the amount allocated for fiscal years beginning after June 30, 2022, and ending before July 1, 2025:

- (1) Article XVII-B.
- (2) Subarticle B of Article XVII-D.
- (2.1) Subarticle E of Article XVII-D.
- (3) Article XVII-K.

(b) Notwithstanding any other provision of this act, the amount of tax credit earned for each full-time equivalent employe under Article XIX-H shall remain at the amount specified under section 1904-H(c) for fiscal years beginning after June 30, 2022, and ending before July 1, 2025.

Section 22. Repeals are as follows:

(1) The General Assembly declares that the repeal under paragraph (2) is necessary to effectuate the addition of section 303(a.7)(5) and (6) of the act.

(2) Section 104-A of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code, is repealed.

(3) The General Assembly declares that the repeal under paragraph (4) is necessary to effectuate the addition of section 2502.1 of the act.

(4) 4 Pa.C.S. § 13A62(c) is repealed.

(5) The definition of "fund" in section 702 of the act of December 18, 1984 (P.L.1005, No.205), known as the Municipal Pension Plan Funding Standard and Recovery Act, is repealed to the extent it is inconsistent with the provisions of this act.

(6) Section 702 of the act of December 14, 1988 (P.L.1192, No.147), known as the Special Ad Hoc Municipal Police and Firefighter Postretirement Adjustment Act, and all acts or parts of acts inconsistent with the amendment of sections 902, 902.1(d) and 1805-F(c), are repealed to the extent they are inconsistent with the amendment of sections 902, 902.1(d) and 1805-F(c).

Section 23. The addition of section 303(a.7)(5) and (6) of the act are a continuation of section 104-A of the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code. Except as provided in section 303(a.7)(5) and (6) of the act, all activities initiated under section 104-A of The Fiscal Code shall continue and remain in full force and effect and may be completed under section 303(a.7)(5) and (6) of the act. Orders, regulations, rules and decisions which were made under section 104-A of The Fiscal Code and which are in effect on the effective date of section 303(a.7)(5) and (6) of the act shall remain in full force and effect until revoked, vacated or modified under section 303(a.7)(5) and (6) of the act. Contracts, obligations and collective bargaining agreements entered into under section 104-A of The Fiscal Code are not

affected nor impaired by the repeal of section 104-A of The Fiscal Code.

Section 24. The following shall apply:

(1) The amendment of section 303(a.3) of the act shall apply to property placed in service in tax years beginning after December 31, 2022.

(2) The amendment of section 303(a.5) of the act shall apply to transactions occurring in tax years beginning after December 31, 2022.

(2.1) The addition of section 2111(u) of the act shall apply to inheritance tax imposed as to a decedent whose date of death is after the effective date of this section.

(3) The following sections shall apply to taxable years beginning after December 31, 2022:

(i) The amendment of section 401(3)2(a)(17) of the act.

(ii) The addition of section 402(a)(5) and (6) of the act.

(4) The following sections shall apply to fiscal years beginning after June 30, 2022:

(i) The amendment of section 902 of the act.

(ii) The amendment of section 902.1(d) of the act.

(iii) The amendment of section 1709-B of the act.

(iv) The amendment of section 1711-D of the act.

(v) The addition of section 1712-D(b)(5.1) and (7.2) of the act.

(vi) The amendment of section 1712-D(b)(7.1) of the act.

(vii) The amendment of section 1716-D(a) of the act.

(viii) The amendment of section 1716.1-D(a)(4) of the act.

(ix) The amendment of section 1777-D(a)(1) of the act.

(x) The amendment of section 1708-K(4) of the act.

(xi) The amendment of section 1809-C(c)(2) of the act.

(xii) The amendment of section 1813-C(a)(1.1) of the act.

(xiii) The amendment of section 1805-F(c) of the act.

(xiv) The addition of Article XIX-H of the act.

(xv) The addition of Article XIX-I of the act.

(xvi) The addition of section 3003.25 of the act.

Section 25. The addition of section 2502.1 shall apply retroactively to July 1, 2022.

Section 26. This act shall take effect as follows:

(1) The following shall take effect January 1, 2023:

(i) The amendment or addition of section 201(b),

(i), (k), (n), (o), (p), (nnn), (ooo), (ppp), (qqq), (rrr), (sss), (ttt) and (uuu) of the act.

(ii) The amendment of sections 208(a) and 2301(e.1) of the act.

(2) The addition of section 2111(u) of the act shall take effect in 60 days.

(3) The remainder of this act shall take effect immediately.

APPROVED--The 8th day of July, A.D. 2022.

TOM WOLF