AMENDMENTS TO SENATE BILL NO. 181

Sponsor: SENATOR HUGHES

Printer's No. 161

Amend Bill, page 1, line 1, by inserting after "budgeting"

and tax credit efficiency review

Amend Bill, page 1, line 9, by inserting after "Budgeting"

and Tax Credit Efficiency

Amend Bill, page 2, by inserting between lines 13 and 14

(4) A thorough and efficient review of the tax credits the Commonwealth offers to various individuals, organizations and companies is vital to ensuring that the Commonwealth is being a good stalwart of the support of taxpayers.

Amend Bill, page 2, by inserting between lines 21 and 22

"Evaluation." The process of review of a tax credit by the IFO. The term includes soliciting or accepting public input.

"Evaluation date." The date by which an evaluation of a tax credit by the IFO must be completed.

Amend Bill, page 2, by inserting between lines 26 and 27

"Tax Reform Code of 1971." The act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

Amend Bill, page 5, by inserting between lines 3 and 4

Section 6. Evaluation.

(a) Evaluation.--Beginning January 1, 2018, the IFO shall undertake and complete an evaluation of a tax credit by the evaluation date as follows:

(1) On or before January 1, 2019, for the following tax credits:

(i) Article XVII-D of the Tax Reform Code of 1971.

(ii) Article XVII-G of the Tax Reform Code of 1971.

(iii) Article XVIII-F of the Tax Reform Code of 1971.

(iv) Article XX-B of the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949.

(2) On or before January 1, 2020, for the following tax credits:

(i) Article XVII-B of the Tax Reform Code of 1971.
(ii) Article XVIII of the Tax Reform Code of 1971.
(iii) Article XVIII-E of the Tax Reform Code of 1971.
(iv) The tax credits authorized under sections 518 and 519 of 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.

(3) On or before January 1, 2021, for the following tax credits:
(i) Article XVII-E of the Tax Reform Code of 1971.
(ii) Article XVII-H of the Tax Reform Code of 1971.
(iii) Article XVIII-C of the Tax Reform Code of 1971.
(iv) Section 1906-F of the Tax Reform Code of 1971.

(4) On or before January 1, 2022, for the following tax credits:
(i) Article XVII-I of the Tax Reform Code of 1971.
(ii) Article XIX-A of the Tax Reform Code of 1971.
(iii) Article XIX-B of the Tax Reform Code of 1971.
(iv) Article XIX-C of the Tax Reform Code of 1971.
(v) The tax credit authorized under Chapter 7 of the act of July 9, 2008 (1st Sp.Sess., P.L.1873, No.1), known as the Alternative Energy Investment Act.

(5) On or before January 1, 2023, for the following tax credits:
(i) Article XVII-A of the Tax Reform Code of 1971.
(ii) Article XVIII-B of the Tax Reform Code of 1971.
(iii) Article XVIII-D of the Tax Reform Code of 1971.
(iv) Any other tax credit not specified under this subsection.

(b) Frequency.--Tax credits enumerated under subsection (a) shall be evaluated by the IFO on or before January 1 of every fifth year after the dates specified under subsection (a)(1), (2), (3), (4) and (5).

(c) Future tax credits.--Subject to subsection (d), a tax credit authorized on or after the effective date of this section shall be evaluated by the IFO on or before January 1 of the fifth year after enactment.

(d) Termination.--If a tax credit has a termination date provided for by law, an evaluation shall be made by the IFO of the tax credit on or before January 1 of the year preceding the calendar year of the termination date.

(e) Duty.--The IFO must submit a report of the evaluations made under this section to the Governor, the chairperson and minority chairperson of the Appropriations Committee of the Senate, the chairperson and minority chairperson of the Finance Committee of the Senate, the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives and the chairperson and minority chairperson of

the Finance Committee of the House of Representatives and must make the reports available on the IFO's publicly accessible Internet website.

(f) Contents.--A report under subsection (e) must include all of the following:

(1) The purpose for which the tax credit was established.

(2) Whether the original intent of the tax credit is still appropriate.

(3) Whether the tax credit is meeting the tax credit's stated intent.

(4) Whether the tax credit could be more efficiently and effectively carried out through alternative methods.

(5) The costs of providing the tax credit, including the administrative cost to the Commonwealth and lost revenues to the Commonwealth and local governments.

(6) Whether the tax credit should be continued, terminated or amended.

(7) If the tax credit should be amended, recommended changes to make the tax credit more efficient and effective.

Amend Bill, page 5, line 4, by striking out "6" and inserting

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Amend Bill, page 6, line 15, by striking out "7" and inserting

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Amend Bill, page 6, line 19, by striking out "8" and inserting

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Amend Bill, page 6, line 21, by striking out "and" and inserting a comma

Amend Bill, page 6, line 22, by inserting after "thereto"

and whether or not a tax credit is efficient

Amend Bill, page 6, line 24, by striking out "9" and inserting

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