

AMENDMENTS TO HOUSE BILL NO. 262

Sponsor: SENATOR BROWNE

Printer's No. 233

1 Amend Bill, page 1, lines 1 through 11, by striking out all
2 of said lines and inserting
3 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
4 act relating to tax reform and State taxation by codifying
5 and enumerating certain subjects of taxation and imposing
6 taxes thereon; providing procedures for the payment,
7 collection, administration and enforcement thereof; providing
8 for tax credits in certain cases; conferring powers and
9 imposing duties upon the Department of Revenue, certain
10 employers, fiduciaries, individuals, persons, corporations
11 and other entities; prescribing crimes, offenses and
12 penalties," in sales and use tax, further providing for
13 definitions, for imposition of tax, for exclusions from tax,
14 for licenses, for persons required to make returns, for tax
15 held in trust for the Commonwealth, for assessment, for
16 collection of tax and for crimes and providing for class
17 actions; in personal income tax, further providing for
18 classes of income, providing for contributions for Veterans'
19 Trust Fund, further providing for returns of married
20 individuals, deceased or disabled individuals and fiduciaries
21 and providing for paid tax return preparers and required
22 information on personal income tax returns; in corporate net
23 income tax, further providing for manufacturing innovation
24 and reinvestment deduction; in realty transfer tax, further
25 providing for definitions and for excluded transactions and
26 providing for transfer of tax; in entertainment production
27 tax credit, further providing for definitions, for carryover,
28 carryback and assignment of credit, for limitations, for film
29 production tax credit districts, for definitions, for
30 carryover, carryback and assignment of tax credit and for
31 limitations; in resource enhancement and protection tax
32 credit, further providing for definitions, for Resource
33 Enhancement and Protection Tax Credit Program, for tax
34 credits, for project certification and for annual tax
35 credits; in historic preservation incentive tax credit,
36 further providing for definitions and for tax credit
37 certificates, establishing the Historic Rehabilitation Tax
38 Credit Administration Account, further providing for

1 carryover, carryback and assignment of credit, for pass-
2 through entity, providing for annual report to General
3 Assembly, further providing for application of Internal
4 Revenue Code and for limitation and providing for recapture;
5 in coal refuse energy and reclamation tax credit, further
6 providing for definitions, for application and approval of
7 tax credit and for limitation on tax credits; in tax credit
8 for new jobs, further providing for application process; in
9 city revitalization and improvement zones, further providing
10 for definitions and for restrictions; in manufacturing and
11 investment tax credit, further providing for definitions, for
12 rural growth funds, for requirements, for rural growth fund
13 failure to comply, for reporting obligations, for business
14 firms, for tax credit certificates, for claiming the tax
15 credit, for prohibitions, for revocation of tax credit
16 certificates and for exit; in neighborhood assistance tax
17 credit, further providing for definitions, for public policy
18 and for tax credit; in keystone opportunity zones, keystone
19 opportunity expansion zones and keystone opportunity
20 improvement zones, providing for additional designations; in
21 mixed-use development tax credit, further providing for
22 mixed-use development tax credits; in inheritance tax,
23 further providing for inheritance tax; in table game taxes,
24 reenacting provisions relating to table game taxes and
25 further providing for expiration; in strategic development
26 areas, further providing for sales and use tax and for local
27 sales and use tax; in computer data center equipment
28 incentive program, further providing for limitations;
29 providing for independent public schools; and making a
30 related repeal.

31 Amend Bill, page 1, lines 14 through 22; page 2, lines 1
32 through 9; by striking out all of said lines on said pages and
33 inserting

34 Section 1. Section 201(n) and (p) of the act of March 4,
35 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, are
36 amended, clauses (b) and (g) are amended by adding subclauses
37 and the section is amended by adding clauses to read:

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

42 * * *

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

44 * * *

45 (3.5) (i) Engaging in any activity as a business by any
46 person, either directly or through a subsidiary, representative
47 or an agent, in connection with the lease, sale or delivery of
48 tangible personal property into this Commonwealth or the

1 performance of services for use, storage or consumption or in
2 connection with the sale or delivery for use in this
3 Commonwealth of at least one hundred thousand dollars (\$100,000)
4 during the preceding twelve-month calendar period.

5 (ii) For a marketplace facilitator, this activity includes
6 all sales, leases and deliveries of tangible personal property,
7 and all sales of services by the marketplace seller whose sales
8 are facilitated through the marketplace facilitator's forum.

9 * * *

10 (g) "Purchase price."

11 * * *

12 (9) The purchase price of "malt or brewed beverages" sold by
13 a "manufacturer of malt or brewed beverages" directly to the
14 ultimate consumer for consumption on or off premises shall be
15 twenty-five per cent of the retail sales price of the "malt or
16 brewed beverages" sold for consumption on or off premises.

17 * * *

18 (n) "Taxpayer." Any person required to pay or collect the
19 tax imposed by this article, including a marketplace facilitator
20 and a marketplace seller.

21 * * *

22 (p) "Vendor." Any person maintaining a place of business in
23 this Commonwealth, selling or leasing tangible personal
24 property, or rendering services, the sale or use of which is
25 subject to the tax imposed by this article, including a
26 marketplace facilitator and a marketplace seller, but not
27 including any employee who in the ordinary scope of employment
28 renders services to his employer in exchange for wages and
29 salaries.

30 * * *

31 (eee) "Liquor." Liquor as that term is defined in the
32 "Liquor Code."

33 (fff) "Malt or brewed beverages." Malt or brewed beverages
34 as that term is defined in the "Liquor Code."

35 (ggg) "Manufacturer of malt or brewed beverages."
36 Manufacturer of malt or brewed beverages as that term is defined
37 in the "Liquor Code."

38 (hhh) "Forum." A place where sales at retail occur, whether
39 physical or electronic. The term includes a store, a booth, an
40 Internet website, a catalog or similar place.

41 (iii) "Marketplace facilitator." A person that facilitates
42 the sale at retail of tangible personal property. For purposes
43 of this article, a person facilitates a sale at retail if the
44 person or an affiliated person:

45 (1) lists or advertises tangible personal property for sale
46 at retail in any forum; and

47 (2) either directly or indirectly through agreements or
48 arrangements with third parties, collects the payment from the
49 purchaser and transmits the payment to the person selling the
50 property.

51 The term includes a person that may also be a vendor.

1 (jjj) "Marketplace seller." A person that has an agreement
2 with a marketplace facilitator to facilitate sales for the
3 person.

4 (kkk) "Affiliated person." A person that, with respect to
5 another person:

6 (1) has a direct or indirect ownership interest of more than
7 five percent in the other person; or

8 (2) is related to the other person because a third person,
9 or group of third persons who are affiliated with each other as
10 defined in this subsection, holds a direct or indirect ownership
11 interest of more than five percent in the related person.

12 (lll) "Animal housing facility." A roofed structure or
13 facility, or a portion of the facility, used for occupation by
14 livestock or poultry.

15 Section 2. Section 202(a) and (b) of the act are amended and
16 the section is amended by adding a subsection to read:

17 Section 202. Imposition of Tax.--(a) There is hereby
18 imposed upon each separate sale at retail of tangible personal
19 property or services, as defined herein, within this
20 Commonwealth a tax of six per cent of the purchase price, which
21 tax shall, except as otherwise provided, be collected by the
22 vendor or any other person required by this article from the
23 purchaser, and shall be paid over to the Commonwealth as herein
24 provided.

25 (b) There is hereby imposed upon the use, on and after the
26 effective date of this article, within this Commonwealth of
27 tangible personal property purchased at retail on or after the
28 effective date of this article, and on those services described
29 herein purchased at retail on and after the effective date of
30 this article, a tax of six per cent of the purchase price, which
31 tax shall be paid to the Commonwealth by the person who makes
32 such use as herein provided, except that such tax shall not be
33 paid to the Commonwealth by such person where he has paid the
34 tax imposed by subsection (a) of this section or has paid the
35 tax imposed by this subsection (b) to the vendor with respect to
36 such use[.], or such vendor advertises or holds out or states to
37 such person directly or indirectly subject to the conditions set
38 forth in 268(b) that such vendor will pay the tax imposed by
39 subsection (a) or this subsection for such person. The tax at
40 the rate of six per cent imposed by this subsection shall not be
41 deemed applicable where the tax has been incurred under the
42 provisions of the "Tax Act of 1963 for Education."

43 * * *

44 (h) (1) Notwithstanding any other provision of this
45 article, Article II-B, the act of July 28, 1953 (P.L.723,
46 No.230), known as the Second Class County Code, or Chapter 5 or
47 6 of the act of June 5, 1991 (P.L.9, No.6), known as the
48 Pennsylvania Intergovernmental Cooperation Authority Act for
49 Cities of the First Class, the tax shall be imposed on a
50 manufacturer of malt or brewed beverages with respect to sales
51 of malt or brewed beverages sold by the manufacturer directly to

1 the ultimate consumer for consumption on or off premises.

2 (2) The tax imposed under clause (1) shall be paid and
3 reported by the manufacturer of malt or brewed beverages to the
4 department in the time and manner provided in this article.

5 (3) Notwithstanding any law to the contrary, a school
6 district or local government authorized to impose a local
7 alcoholic beverage tax under the act of June 10, 1971 (P.L.153,
8 No.7), known as the First Class School District Liquor Sales Tax
9 Act of 1971, or 53 Pa.C.S. § 8602 (relating to local financial
10 support), may impose or continue to impose a local alcoholic
11 beverage tax on the sale at retail of malt or brewed beverages
12 made by a manufacturer of malt or brewed beverages to the
13 ultimate consumer for consumption on or off premises at the same
14 rate as authorized under the First Class School District Liquor
15 Sales Tax Act of 1971 or 53 Pa.C.S. § 8602 and notwithstanding
16 anything to the contrary in such laws or in a local law or
17 ordinance in existence on the effective date of this section.

18 (4) The payment of the tax imposed under clause (1) shall
19 eliminate the need for the ultimate consumer to pay or remit a
20 sales or use tax on the related transaction or upon the
21 subsequent use of the malt or brewed beverages.

22 Section 3. Section 204(49) of the act is amended and the
23 section is amended by adding clauses to read:

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

26 * * *

27 (49) The sale at retail or use of food and beverages by
28 nonprofit associations which support sports programs or youth
29 centers. For purposes of this clause, the phrases:

30 (i) "nonprofit association" means an entity which is
31 organized as a nonprofit corporation or nonprofit unincorporated
32 association under the laws of this Commonwealth or the United
33 States or any entity which is authorized to do business in this
34 Commonwealth as a nonprofit corporation or unincorporated
35 association under the laws of this Commonwealth, including, but
36 not limited to, youth or athletic associations, volunteer fire,
37 ambulance, religious, charitable, fraternal, veterans, civic, or
38 any separately chartered auxiliary of the foregoing, if
39 organized and operated on a nonprofit basis;

40 (iv) "sports program" means baseball (including softball),
41 football, basketball, soccer and any other competitive sport
42 formally recognized as a sport by the United States Olympic
43 Committee as specified by and under the jurisdiction of the
44 Amateur Sports Act of 1978 (Public Law 95-606, 36 U.S.C. § 371
45 et seq.), the Amateur Athletic Union or the National Collegiate
46 Athletic Association. The term shall be limited to a program or
47 that portion of a program that is organized for recreational
48 purposes and whose activities are substantially for such
49 purposes and which is primarily for participants who are 18
50 years of age or younger or whose 19th birthday occurs during the
51 year of participation or the competitive season, whichever is

1 longer. There shall, however, be no age limitation for programs
2 operated for persons with physical handicaps or persons with
3 mental retardation;

4 (v) "support" means:

5 (A) the funds raised from sales are used to pay the expenses
6 of a sports program or a youth center; or

7 (B) the nonprofit association sells the food and beverages
8 at a youth center or a location where a sports program is being
9 conducted under this act[.];

10 (vi) "youth center" means a fixed location used exclusively
11 for programs for individuals who are 19 years of age or younger
12 as long as the programs are:

13 (A) conducted primarily by volunteers;

14 (B) designed to advance recreational, civic or moral
15 objectives; and

16 (C) conducted by an organization that is qualified under
17 section 501(c)(3) of the Internal Revenue Code of 1986 (Public
18 Law 99-514, 26 U.S.C. § 501(c)(3)) and that has obtained an
19 exemption number from the department as a charitable
20 organization under clause (10).

21 * * *

22 (71) The sale at retail or use of food and beverages by a
23 volunteer firemen's organization to raise funds for the purposes
24 of the volunteer firemen's organization.

25 (72) The sale at retail of building materials and supplies
26 used for the construction or repair of an animal housing
27 facility, regardless if the sale is made to the purchaser
28 directly or pursuant to a construction contract.

29 Section 4. Sections 208(a), 215 and 225 of the act are
30 amended to read:

31 Section 208. Licenses.--(a) Every person maintaining a
32 place of business in this Commonwealth, with the exception of a
33 marketplace seller who makes no sales outside a forum for which
34 a marketplace facilitator is required to collect sales tax on
35 the seller's behalf, selling or leasing services or tangible
36 personal property, the sale or use of which is subject to tax
37 and who has not hitherto obtained a license from the department,
38 shall, prior to the beginning of business thereafter, make
39 application to the department, on a form prescribed by the
40 department, for a license. If such person maintains more than
41 one place of business in this Commonwealth, the license shall be
42 issued for the principal place of business in this Commonwealth.

43 * * *

44 Section 215. Persons Required to Make Returns.--Every person
45 required to pay tax to the department or collect and remit tax
46 to the department, but not including a marketplace seller who
47 solely makes sales through a marketplace facilitator that is
48 required to collect sales tax on the seller's behalf and
49 receives a certification from the marketplace facilitator that
50 the marketplace facilitator will collect, report and remit the
51 proper sales tax, shall file returns with respect to such tax.

1 Section 225. Tax Held in Trust for the Commonwealth.--All
2 taxes collected by any person from purchasers in accordance with
3 this article and all taxes collected by any person from
4 purchasers under color of this article, including all taxes paid
5 by any person who advertises or holds out or states, directly or
6 indirectly, that such person will pay the tax for the purchaser,
7 which have not been properly refunded by such person to the
8 purchaser shall constitute a trust fund for the Commonwealth,
9 and such trust shall be enforceable against such person, his
10 representatives and any person (other than a purchaser to whom a
11 refund has been made properly) receiving any part of such fund
12 without consideration, or knowing that the taxpayer is
13 committing a breach of trust: Provided, however, That any person
14 receiving payment of a lawful obligation of the taxpayer from
15 such fund shall be presumed to have received the same in good
16 faith and without any knowledge of the breach of trust. Any
17 person, other than a taxpayer, against whom the department makes
18 any claim under this section shall have the same right to
19 petition and appeal as is given taxpayers by any provisions of
20 this part.

21 Section 5. Section 230 of the act is amended by adding
22 subsections to read:

23 Section 230. Assessment.--* * *

24 (c) A marketplace facilitator is relieved of liability under
25 subsection (a) if the marketplace facilitator can show to the
26 satisfaction of the department that the failure to collect the
27 correct amount of tax was due to incorrect information given to
28 the marketplace facilitator by a marketplace seller.

29 (d) A marketplace seller is relieved of liability under
30 subsection (a) pertaining to those sales made through a
31 marketplace facilitator, when the marketplace facilitator
32 certifies to the seller that the marketplace facilitator will
33 collect, report and remit the proper sales tax, unless the
34 seller gave incorrect information to the marketplace
35 facilitator.

36 Section 6. Section 237(b)(1) of the act is amended,
37 subsection (b) is amended by adding a paragraph and the section
38 is amended by adding subsections to read:

39 Section 237. Collection of Tax.--* * *

40 (b) Collection by Persons Maintaining a Place of Business in
41 the Commonwealth. (1) Every person maintaining a place of
42 business in this Commonwealth and selling or leasing tangible
43 personal property or services, with the exception of a
44 marketplace seller who solely makes sales through a marketplace
45 facilitator that is required to collect sales tax on the
46 marketplace seller's behalf and receives a certification from
47 the marketplace facilitator that the marketplace facilitator
48 will collect, report and remit the proper sales tax, the sale or
49 use of which is subject to tax shall collect the tax from the
50 purchaser or lessee at the time of making the sale or lease, and
51 shall remit the tax to the department, unless such collection

1 and remittance is otherwise provided for in this article.

2 * * *

3 (1.2) (i) A vendor maintaining a place of business within
4 this Commonwealth under section 201(b)(3.5) in calendar year
5 2018 shall collect sales tax from July 1, 2019, through March
6 31, 2020.

7 (ii) A vendor maintaining a place of business within this
8 Commonwealth under section 201(b)(3.5) in calendar years after
9 2018 shall collect sales tax from the second quarter, beginning
10 April 1, of the following calendar year through the first
11 quarter, ending March 31, of the next calendar year.

12 * * *

13 (b.1) Collection by Marketplace Facilitators. A marketplace
14 facilitator maintaining a place of business in this Commonwealth
15 must collect and remit the sales tax on all sales, leases and
16 deliveries of tangible personal property, and all sales of
17 services, by marketplace sellers whose sales are facilitated
18 through the marketplace facilitator's forum.

19 * * *

20 (c.1) Authorization to Obtain Information. In lieu of the
21 exemption certificate required under subsection (c), the
22 department may authorize a vendor to obtain similarly specific
23 information from the vendor's purchasers. This information
24 includes, but is not limited to, the name and address of the
25 purchaser and a valid basis for exemption. The purchases made
26 pursuant to this subsection must be made with a verifiable
27 source of payment connected to the specific purchaser. The
28 information regarding each purchase shall be available at the
29 time the return is filed for the period covering the purchase.
30 The information shall be retained in accordance with section
31 271. No such authority shall be granted or exercised, except
32 upon application to and acceptance by the department, in the
33 department's discretion. If authority is granted, it shall be
34 subject to conditions specified by the department.

35 * * *

36 Section 7. Section 268(b) of the act is amended to read:

37 Section 268. Crimes.--* * *

38 (b) Other Crimes. (1) Except as otherwise provided by
39 subsection (a) of this section, any person who advertises or
40 holds out or states to the public or to any purchaser or user,
41 directly or indirectly, that the tax or any part thereof imposed
42 by this article will [be absorbed by such person, or that it
43 will] not be added to the purchase price of the tangible
44 personal property or services described in subclauses (2), (3),
45 (4) and (11) through (18) of clause (k) of section 201 of this
46 article [sold] or[, if added,] that the tax or any part thereof
47 will be refunded, other than when such person refunds the
48 purchase price because of such property being returned to the
49 vendor, and any person selling or leasing tangible personal
50 property or said services the sale or use of which by the
51 purchaser is subject to tax hereunder, who, except as otherwise

1 provided, shall wilfully fail to collect the tax from the
2 purchaser and timely remit the same to the department, and any
3 person who shall wilfully fail or neglect to timely file any
4 return or report required by this article or any taxpayer who
5 shall refuse to timely pay any tax, penalty or interest imposed
6 or provided for by this article, or who shall wilfully fail to
7 preserve his books, papers and records as directed by the
8 department, or any person who shall refuse to permit the
9 department or any of its authorized agents to examine his books,
10 records or papers, or who shall knowingly make any incomplete,
11 false or fraudulent return or report, or who shall do, or
12 attempt to do, anything whatever to prevent the full disclosure
13 of the amount or character of taxable sales purchases or use
14 made by himself or any other person, or shall provide any person
15 with a false statement as to the payment of tax with respect to
16 particular tangible personal property or said services, or shall
17 make, utter or issue a false or fraudulent exemption
18 certificate, shall be guilty of a misdemeanor, and, upon
19 conviction thereof, shall be sentenced to pay a fine not
20 exceeding one thousand dollars (\$1000) and costs of prosecution,
21 or undergo imprisonment not exceeding one year, or both:
22 Provided, however, [That any person maintaining a place of
23 business outside this Commonwealth may absorb the tax with
24 respect to taxable sales made in the normal course of business
25 to customers present at such place of business without being
26 subject to the above penalty and fines: and Provided further,
27 That advertising tax-included prices shall be permissible, if
28 the prepaid services are sold by the service provider, for
29 prepaid telecommunications services not evidenced by the
30 transfer of tangible personal property or for prepaid mobile
31 telecommunications services.] That any person may advertise or
32 hold out or state to the public or to any purchaser or user,
33 directly or indirectly, that the tax or any part thereof imposed
34 by this article will be absorbed and paid by such person subject
35 to the following conditions:
36 (i) Such person shall expressly state on any receipt,
37 invoice, sales slip, or other similar document evidencing such
38 sale given to the purchaser that such person will pay the tax
39 imposed by this article on behalf of such purchaser and shall
40 not indicate or imply that the transaction is exempt or excluded
41 from any tax imposed by this article.
42 (ii) Any receipt, invoice, sales slip, or other similar
43 document evidencing a sale given to the purchaser shall
44 separately state the amount of tax.
45 (iii) Such person, when recording the sale in the person's
46 books and records, shall separately state the purchase price and
47 the tax.
48 (iv) The amount of tax shall be calculated by multiplying
49 the total purchase price by the rate of tax imposed by section
50 202.
51 (3) If any person advertises or holds out or states to the

1 public or to any purchaser or user, directly or indirectly, that
2 such person will absorb and pay the tax, subject to the
3 conditions of this subsection, such person shall be solely
4 responsible and liable for any tax imposed by this article,
5 notwithstanding any provisions of this article to the contrary
6 and shall not be entitled to a refund of such tax.

7 * * *

8 Section 8. The act is amended by adding a section to read:

9 Section 279. Class Actions.--A class action may not be
10 brought against a marketplace facilitator on behalf of
11 purchasers arising from or in any way related to an overpayment
12 of sales or use tax collected by the marketplace facilitator,
13 regardless of whether such action is characterized as a tax
14 refund claim. Nothing in this subsection shall affect a
15 purchaser's right to seek a refund from the department under
16 other provisions of this article.

17 Section 9. (Reserved).

18 Section 10. Section 303(a)(5) and (a.7)(2) of the act are
19 amended and subsection (a)(3) is amended by adding a
20 subparagraph to read:

21 Section 303. Classes of Income.--(a) The classes of income
22 referred to above are as follows:

23 * * *

24 (3) Net gains or income from disposition of property. Net
25 gains or net income, less net losses, derived from the sale,
26 exchange or other disposition of property, including real
27 property, tangible personal property, intangible personal
28 property or obligations issued on or after the effective date of
29 this amendatory act by the Commonwealth; any public authority,
30 commission, board or other agency created by the Commonwealth;
31 any political subdivision of the Commonwealth or any public
32 authority created by any such political subdivision; or by the
33 Federal Government as determined in accordance with accepted
34 accounting principles and practices. For the purpose of this
35 article:

36 * * *

37 (viii) The term "net gains or income" and "net losses" shall
38 not include gains or income or loss which are excluded from
39 Federal taxation under section 1400Z-2 of the Internal Revenue
40 Code of 1986 (Public Law 99-514, 26 U.S.C. § 1400Z-2), as
41 amended. Net gains or net income, less net losses, which are
42 excluded under this subparagraph shall be included in income to
43 the extent they are included in gross income under section
44 1400Z-2(b) of the Internal Revenue Code of 1986, as amended.
45 Section 1400Z-2(c) of the Internal Revenue Code of 1986, as
46 amended, shall apply in the computation of net gains or net
47 income and net losses.

48 * * *

49 (5) Dividends. The term "dividends" shall not include gains
50 or income or loss which are excluded from Federal taxation under
51 section 1400Z-2 of the Internal Revenue Code of 1986, as

1 amended. Gains or income or loss which are excluded under this
2 subparagraph shall be included in income to the extent they are
3 included in gross income under section 1400Z-2(b) of the
4 Internal Revenue Code of 1986, as amended. Section 1400Z-2(c) of
5 the Internal Revenue Code of 1986, as amended, shall apply in
6 the computation of net gains or net income and net losses.

7 * * *

8 (a.7) The following apply:

9 * * *

10 (2) (i) The following shall not be subject to tax under
11 this article:

12 (A) Any amount distributed from a qualified tuition program
13 that is excludable from tax under section 529(c)(3)(B) of the
14 Internal Revenue Code of 1986, as amended.

15 (B) Any rollover that is excludable from tax under section
16 529(c)(3)(C) of the Internal Revenue Code of 1986, as amended.

17 (C) Undistributed earnings on a qualified tuition program.

18 (D) The value of a medal awarded by or prize money received
19 from the United States Olympic Committee on account of
20 competition in the Olympic Games or Paralympic Games.

21 (ii) A change in designated beneficiaries under section
22 529(c)(3)(C) of the Internal Revenue Code of 1986, as amended,
23 shall not constitute a taxable event under this article.

24 * * *

25 Section 10.1. The act is amended by adding a section to
26 read:

27 Section 315.14. Contribution for Veterans' Trust Fund.--(a)
28 For taxable years beginning after December 31, 2019, the
29 department shall provide a space on the Pennsylvania individual
30 income tax return form whereby an individual may voluntarily
31 designate a contribution, in any amount, to the Veterans' Trust
32 Fund. The amount so designated shall be deducted from the tax
33 refund to which the individual is entitled and shall not
34 constitute a charge against the income tax revenues due to the
35 Commonwealth.

36 (b) The department shall determine annually the total amount
37 designated under this section, less reasonable administrative
38 costs, and shall report the amount to the State Treasurer who
39 shall transfer the amount to the Veterans' Trust Fund.

40 (c) The department shall provide adequate information
41 concerning the checkoff for the Veterans' Trust Fund in its
42 instructions which accompany the Pennsylvania income tax return
43 forms. The information concerning the checkoff shall include the
44 listing of an address furnished by the Department of Military
45 and Veterans Affairs to which contributions may be sent by
46 taxpayers wishing to contribute to this effort but who do not
47 receive refunds.

48 (d) The Department of Military and Veterans Affairs shall
49 report annually to the respective committees of the Senate and
50 the House of Representatives which have jurisdiction over
51 military and veterans affairs on the amount received via the

1 checkoff plan and how the funds were utilized.

2 Section 10.2. Section 331(g) of the act is amended to read:

3 Section 331. Returns of Married Individuals, Deceased or
4 Disabled Individuals and Fiduciaries.--* * *

5 (g) The return for an estate or trust shall be made and
6 filed by the fiduciary. If two or more fiduciaries are acting
7 jointly, the return may be made by any one of them. If the
8 executor of the estate and trustee of the trust make an election
9 under section 645 of the Internal Revenue Code of 1986 (Public
10 Law 99-514, 26 U.S.C. § 645), as amended, to treat the income of
11 the trust as part of the estate, the fiduciary may make and file
12 a joint tax return for the estate and trust under this
13 subsection for the taxable years when the trust income is
14 reported as part of the estate income in accordance with section
15 645 of the Internal Revenue Code of 1986, as amended. If the
16 income tax liabilities of the estate and trust are filed on a
17 joint tax return under this subsection, the tax liabilities of
18 the estate and trust shall be joint and several. The provisions
19 of subsection (d) shall be applicable to a joint tax return
20 filed under this subsection.

21 Section 10.3. The act is amended by adding a section to
22 read:

23 Section 336.3. Paid Tax Return Preparers; Required
24 Information on Personal Income Tax Returns.--(a) For taxable
25 years beginning on or after January 1, 2020, any personal income
26 tax return prepared by a paid tax return preparer shall be
27 signed by the paid tax return preparer and shall bear the paid
28 tax return preparer's Internal Revenue Service preparer tax
29 identification number.

30 (b) (1) The department may impose an administrative penalty
31 of fifty dollars (\$50) on a paid tax return preparer each time
32 the paid tax return preparer fails to sign the return or fails
33 to provide the preparer's tax identification number.

34 (2) The maximum amount imposed on any individual paid tax
35 return preparer under paragraph (1) shall not exceed twenty-five
36 thousand dollars (\$25,000) per paid tax return preparer in a
37 calendar year.

38 (c) As used in this section:

39 "Paid tax return preparer" shall mean a person who prepares
40 for compensation, or employs one or more persons to prepare for
41 compensation, a personal income tax return required to be filed
42 under this act. Preparation of a substantial portion of a
43 personal income tax return shall be treated as if it were the
44 preparation of the personal income tax return.

45 Section 10.4. Section 407.7(a) and (d)(1) and (2) of the act
46 are amended and subsection (d) is amended by adding paragraphs
47 to read:

48 Section 407.7. Manufacturing Innovation and Reinvestment
49 Deduction.--(a) In order to be eligible to receive a
50 manufacturing innovation and reinvestment deduction, a taxpayer
51 must demonstrate to the department a private capital investment

1 in excess of [one hundred million dollars (\$100,000,000)] sixty
2 million dollars (\$60,000,000) for the creation of new or
3 refurbished manufacturing capacity within three years of a
4 designated start date.

5 * * *

6 (d) [(1) Upon determining a taxpayer's satisfaction of the
7 eligibility criteria, the department shall calculate the maximum
8 allowable deduction that a taxpayer may claim against the
9 taxpayer's taxable income under this article. The deduction
10 shall be equal to five per cent of the private capital
11 investment utilized in the creation of new or refurbished
12 manufacturing capacity per tax year for a period of five years.

13 (2) A taxpayer may utilize the amount of the deduction in
14 each year of the succeeding five tax years immediately following
15 the department's satisfaction determination and the execution of
16 a satisfaction commitment letter.]

17 (1.1) If the private capital investment is in excess of
18 sixty million dollars (\$60,000,000), but not more than one
19 hundred million dollars (\$100,000,000), the maximum allowable
20 deduction shall be equal to thirty-seven and one-half per cent
21 of the private capital investment utilized in the creation of
22 new or refurbished manufacturing capacity. A taxpayer may
23 utilize the deduction in an amount not to exceed seven and one-
24 half per cent of the private capital investment utilized in the
25 creation of new or refurbished manufacturing capacity in any one
26 year of the succeeding ten tax years immediately following the
27 department's satisfaction determination and the execution of a
28 satisfaction commitment letter, up to the maximum allowable
29 deduction.

30 (1.2) If the private capital investment exceeds one hundred
31 million dollars (\$100,000,000), the maximum allowable deduction
32 shall be equal to twenty-five per cent of the private capital
33 investment utilized in the creation of new or refurbished
34 manufacturing capacity. A taxpayer may utilize the deduction in
35 an amount not to exceed five per cent of the private capital
36 investment utilized in the creation of new or refurbished
37 manufacturing capacity in any one year of the succeeding ten tax
38 years immediately following the department's satisfaction
39 determination and the execution of a satisfaction commitment
40 letter, up to the maximum allowable deduction.

41 * * *

42 Section 10.5. Section 1101-C of the act is amended by adding
43 definitions to read:

44 Section 1101-C. Definitions.--The following words when used
45 in this article shall have the meanings ascribed to them in this
46 section:

47 "Agricultural production." As defined in section 3 of the
48 act of June 30, 1981 (P.L.128, No.43), known as the
49 "Agricultural Area Security Law."

50 * * *

51 "Qualified beginner farmer." A person that:

1 (1) Has demonstrated experience in the agriculture industry
2 or related field or has transferable skills as determined by the
3 Department of Agriculture.

4 (2) Has not received Federal gross income from agricultural
5 production for more than the ten most recent taxable years.

6 (3) Intends to engage in agricultural production within the
7 borders of this Commonwealth and to provide the majority of the
8 labor and management involved in that agricultural production.

9 (4) Has obtained written certification from the Department
10 of Agriculture confirming qualified beginner farmer status.

11 * * *

12 Section 10.6. Section 1102-C.3(18) of the act is amended by
13 adding a subparagraph to read:

14 Section 1102-C.3. Excluded Transactions.--The tax imposed by
15 section 1102-C shall not be imposed upon:

16 * * *

17 (18) Any of the following:

18 * * *

19 (vii) A transfer of real estate that is subject to an
20 agricultural conservation easement established under authority
21 of the act of June 30, 1981 (P.L.128, No.43), known as the
22 "Agricultural Area Security Law," to a qualified beginner
23 farmer.

24 * * *

25 Section 10.7. The act is amended by adding a section to
26 read:

27 Section 1102-C.6. Transfer of Tax.--(a) Subject to
28 subsection (b), beginning July 31, 2019, and each July 31
29 thereafter, the State Treasurer shall transfer from the General
30 Fund to the Housing Affordability and Rehabilitation Enhancement
31 Fund under Article IV-D of the act of December 3, 1959
32 (P.L.1688, No.621), known as the "Housing Finance Agency Law,"
33 an amount equal to forty per cent of the difference between:

34 (1) the total amount of the tax imposed under section 1102-C
35 and collected by the Commonwealth for the prior fiscal year; and

36 (2) the total dollar amount of such tax estimated for the
37 fiscal year beginning July 1, 2014, and as contained in the
38 final estimate signed by the Governor for that fiscal year as
39 required by section 618 of the act of April 9, 1929 (P.L.177,
40 No.175), known as "The Administrative Code of 1929."

41 (b) The amount transferred under subsection (a) may not
42 exceed forty million dollars (\$40,000,000).

43 (c) Nothing in this section shall be construed to reduce or
44 prohibit increased funding for the Housing Affordability and
45 Rehabilitation Enhancement Fund or the Keystone Recreation, Park
46 and Conservation Fund as provided in the "Housing Finance Agency
47 Law" or other law.

48 Section 10.8. The definition of "postproduction expense" in
49 section 1711-D of the act is amended and the section is amended
50 by adding a definition to read:

51 Section 1711-D. Definitions.

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

4 * * *

5 "Postproduction expense." A postproduction expense of
6 original content for a film as follows:

7 (1) The term includes traditional, emerging and new
8 work-flow techniques used in postproduction for any of the
9 following:

10 (i) Picture, sound and music editorial, rerecording
11 and mixing.

12 (ii) Visual effects.

13 (iii) Graphic design.

14 (iv) Original scoring.

15 (v) Animation.

16 (vi) Musical composition.

17 (vii) Mastering.

18 (viii) Dubbing.

19 (ix) The purchase of music rights if the following
20 apply:

21 (A) The purchase is from a resident of this
22 Commonwealth.

23 (B) The purchase is from an entity subject to
24 taxation in this Commonwealth and the transaction is
25 subject to taxation under Article III, IV or VI.

26 (2) The term does not include any of the following:

27 (i) Editing previously produced content for a film.

28 (ii) News or current affairs.

29 (iii) Talk shows.

30 (iv) Instructional videos.

31 (v) Content which contains obscene material or
32 performances as defined in 18 Pa.C.S. § 5903(b).

33 * * *

34 "Tax district capital investment." Investment within a film
35 production tax credit district that may consist of new
36 construction, renovation, real property improvement and a
37 similar investment as well as other economic development
38 expenditures within the Commonwealth arising directly from the
39 investment.

40 Section 10.9. Section 1714-D(f) of the act is amended and
41 the section is amended by adding a subsection to read:
42 Section 1714-D. Carryover, carryback and assignment of credit.

43 * * *

44 (f) Purchasers and assignees.--Except as [set forth in
45 subsection (g)] provided in subsections (g) and (h), the
46 following apply:

47 (1) The purchaser or assignee of all or a portion of a
48 tax credit under subsection (e) shall immediately claim the
49 credit in the taxable year in which the purchase or
50 assignment is made.

51 (2) The amount of the tax credit that a purchaser or

1 assignee may use against any one qualified tax liability may
2 not exceed 50% of such qualified tax liability for the
3 taxable year.

4 (3) The purchaser or assignee may not carry forward,
5 carry back or obtain a refund of or sell or assign the tax
6 credit.

7 (4) The purchaser or assignee shall notify the
8 Department of Revenue of the seller or assignor of the tax
9 credit in compliance with procedures specified by the
10 Department of Revenue.

11 * * *

12 (h) Full utilization of tax credits.--A tax credit awarded
13 under this article may be sold or assigned to a purchaser or
14 assignee included in the same Federal consolidated tax return as
15 permitted under sections 1501 and 1502 of the Internal Revenue
16 Code of 1986 (Public Law 99-514, 26 U.S.C. §§ 1501 and 1502),
17 filed by the taxpayer under subsection (a) to reduce or
18 eliminate the qualified tax liability to the same extent
19 allowable for the taxpayer under subsections (a), (b) and (c).
20 Tax credits sold or assigned under this subsection are limited
21 to the taxable year in which the purchase or assignment is made
22 and may only be carried forward for the remainder of the carry-
23 forward period of the original credit.

24 Section 11. Sections 1716-D(a) and 1716.2-D(b) of the act
25 are amended to read:

26 Section 1716-D. Limitations.

27 (a) Cap.--Except for tax credits reissued under section
28 [1761.1-D] 1716.1-D, in no case shall the aggregate amount of
29 tax credits awarded in any fiscal year under this subarticle
30 exceed [\$65,000,000] \$70,000,000. The department may, in its
31 discretion, award in one fiscal year up to:

32 (1) Thirty percent of the dollar amount of film
33 production tax credits available to be awarded in the next
34 succeeding fiscal year.

35 (2) Twenty percent of the dollar amount of film
36 production tax credits available to be awarded in the second
37 successive fiscal year.

38 (3) Ten percent of the dollar amount of film production
39 tax credits available to be awarded in the third successive
40 fiscal year.

41 * * *

42 Section 1716.2-D. Film production tax credit districts.

43 * * *

44 (b) Criteria.--A film production tax credit district shall:

45 (1) Be at least 55 acres in size.

46 (2) Be located on deteriorated property.

47 (3) Be comprised of a parcel that is or will be occupied
48 by two or more qualified businesses that:

49 (i) in the aggregate, make a tax district capital
50 investment of at least \$400,000,000 [within the district]
51 within [five] eight years after the effective date of the

1 designation of the district; and

2 (ii) are dedicated to film production activity,
3 postproduction activity or other activities that directly
4 or indirectly support film production activity occurring
5 within the district or within this Commonwealth.

6 (4) Contain at least one qualified production facility
7 and [six] two sound stages.

8 * * *

9 Section 12. The definitions of "minimum rehearsal and tour
10 requirements," "rehearsal expense," "rehearsal facility,"
11 "taxpayer" and "tour expense" in section 1772-D of the act are
12 amended and the section is amended by adding a definition to
13 read:

14 Section 1772-D. Definitions.

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

18 * * *

19 "Minimum rehearsal and tour requirements." During a tour,
20 all of the following must occur:

21 (1) The purchase or rental of concert tour equipment
22 delivered to a location in this Commonwealth, in an amount of
23 at least \$3,000,000, from companies located and maintaining a
24 place of business in this Commonwealth for use on the tour.

25 (2) A rehearsal at a qualified rehearsal facility for a
26 minimum of 10 days.

27 (3) At least one concert performed at a class 1 venue.

28 (4) At least one concert performed at a venue which is
29 located in a municipality other than the municipality in
30 which the class 1 venue under paragraph (3) is located.

31 (5) The taxpayer shall maintain a place of business in
32 the Commonwealth or employ a representative for the period
33 beginning with the start date and ending with the award of
34 tax certificates under section 1773-D(e).

35 * * *

36 "Rehearsal expense." All of the following when incurred or
37 will be incurred during a rehearsal:

38 (1) Compensation paid or to be paid to an individual
39 employed in the rehearsal of the performance.

40 (2) Payment to a personal service corporation
41 representing individual talent.

42 (3) Payment to a pass-through entity representing
43 individual talent.

44 (4) The costs of construction, operations, editing,
45 photography, staging, lighting, wardrobe and accessories.

46 (5) The cost of leasing vehicles.

47 (6) The cost of transportation of people or concert tour
48 equipment to or from a train station, bus depot, airport or
49 other transportation facility or directly from a residence or
50 business entity.

51 (6.1) The cost of ground transportation of individuals

1 for an entire tour if the ground transportation is purchased
2 or will be purchased from a transportation company
3 maintaining a place of business in this Commonwealth and is
4 provided or will be provided by a resident of this
5 Commonwealth.

6 (6.2) The cost of ground transportation of concert tour
7 equipment for an entire tour if the ground transportation is
8 purchased or will be purchased from a transportation company
9 maintaining a place of business in this Commonwealth and is
10 provided or will be provided by a resident of this
11 Commonwealth.

12 (7) The cost of insurance coverage[.] for an entire tour
13 if the insurance coverage is purchased or will be purchased
14 through an insurance agent maintaining a place of business in
15 this Commonwealth.

16 (8) The cost of food and lodging.

17 (9) The cost of purchase or rental of concert tour
18 equipment.

19 (10) The cost of renting a rehearsal facility.

20 (11) The cost of emergency or medical support services
21 required to conduct a rehearsal.

22 "Rehearsal facility." As follows:

23 (1) A facility primarily used for rehearsals which is
24 all of the following:

25 (i) Located within this Commonwealth.

26 (ii) Has a minimum of [25,000] 20,000 square feet of
27 column-free, unobstructed floor space.

28 (2) The term does not include a facility at which
29 concerts are capable of being held.

30 * * *

31 "Representative." A person that meets all of the following
32 criteria:

33 (1) Is authorized to communicate with the department on
34 behalf of a taxpayer regarding an application submitted under
35 section 1773-D(e).

36 (2) Maintains a place of business in this Commonwealth.

37 (3) Has substantial experience working with the
38 Pennsylvania live events industry.

39 * * *

40 "Taxpayer." A [concert tour promotion company, concert tour
41 management company or other concert management company] musical
42 performer or performers or a concert tour management company of
43 a musical performer or performers subject to tax under Article
44 III, IV or VI. The term does not include contractors or
45 subcontractors of a [concert tour promotion company, concert
46 tour management company or other concert management company]
47 musical performer or performers or of a concert tour management
48 company of a musical performer or performers.

49 * * *

50 "Tour expense." As follows:

51 (1) Costs incurred or which will be incurred during a

1 tour for venues located in this Commonwealth. The term
2 includes all of the following:

3 (i) A payment which is made or will be made by a
4 recipient to a person upon which withholding will be made
5 on the payment by the recipient as required under Part
6 VII of Article III or a payment which is made or will be
7 made to a person who is required to make estimated
8 payments under Part VIII of Article III.

9 (ii) The cost of transportation of people [or
10 concert touring equipment] which is incurred or will be
11 incurred while transporting to or from a train station,
12 bus depot, airport or other transportation facility or
13 while transporting directly from a residence or business
14 entity located in this Commonwealth, or which is incurred
15 or will be incurred for transportation provided by a
16 company which is subject to the tax imposed under Article
17 III or IV.

18 (iii) The cost of leasing vehicles upon which the
19 tax imposed by Article II will be paid or accrued.

20 [(iv) The cost of insurance coverage which is
21 purchased or will be purchased through an insurance agent
22 based in this Commonwealth.]

23 (v) The cost of purchasing or renting facilities and
24 equipment from or through a resident of this Commonwealth
25 or an entity subject to taxation in this Commonwealth.

26 (vi) The cost of food and lodging which is incurred
27 or will be incurred from a facility located in this
28 Commonwealth.

29 (vii) Expenses which are incurred or will be
30 incurred in marketing or advertising a tour at venues
31 located within this Commonwealth.

32 (viii) The cost of merchandise which is purchased or
33 will be purchased from a company located within this
34 Commonwealth and used on the tour.

35 (ix) A payment which is made or will be made to a
36 personal service corporation representing individual
37 talent if the tax imposed by Article IV will be paid or
38 accrued on the net income of the corporation for the
39 taxable year.

40 (x) A payment which is made or will be made to a
41 pass-through entity representing individual talent for
42 which withholding will be made by the pass-through entity
43 on the payment as required under Part VII or VII-A of
44 Article III.

45 (2) The term does not include development cost,
46 including the writing of music or lyrics.

47 * * *

48 Section 13. Sections 1775-D and 1777-D of the act are
49 amended to read:

50 Section 1775-D. Carryover, carryback and assignment of tax
51 credit.

1 (a) General rule.--If a recipient cannot use the entire
2 amount of a tax credit for the taxable year in which the tax
3 credit is first approved, the excess may be carried over to
4 succeeding taxable years and used as a tax credit against the
5 qualified tax liability of the recipient for those taxable
6 years. Each time the tax credit is carried over to a succeeding
7 taxable year, the tax credit shall be reduced by the amount that
8 was used as a credit during the immediately preceding taxable
9 year. The tax credit may be carried over and applied to
10 succeeding taxable years for no more than three taxable years
11 following the first taxable year for which the recipient was
12 entitled to claim the tax credit.

13 (b) Application.--A tax credit approved by the department in
14 a taxable year first shall be applied against the recipient's
15 qualified tax liability for the current taxable year as of the
16 date on which the tax credit was approved before the tax credit
17 can be applied against tax liability under subsection (a).

18 (c) No carryback or refund.--A recipient shall not be
19 entitled to carry back or obtain a refund of any portion of an
20 unused tax credit granted to the recipient under this
21 subarticle.

22 (d) Sale or assignment.--The following shall apply:

23 (1) A recipient, upon application to and approval by the
24 department, may sell or assign, in whole or in part, a tax
25 credit granted to the recipient under this subarticle.

26 (2) The department and the Department of Revenue shall
27 jointly promulgate regulations for the approval of
28 applications under this subsection.

29 (3) Before an application is approved, the Department of
30 Revenue must make a finding that the recipient has filed all
31 required State tax reports and returns for all applicable
32 taxable years and paid any balance of State tax due as
33 determined at settlement, assessment or determination by the
34 Department of Revenue.

35 (4) Notwithstanding any other provision of law, the
36 Department of Revenue shall settle, assess or determine the
37 tax of a taxpayer under this subsection within 60 days of the
38 filing of all required final returns or reports in accordance
39 with section 806.1(a)(5) of the act of April 9, 1929
40 (P.L.343, No.176), known as The Fiscal Code.

41 (e) Purchasers and assignees.--The following apply:

42 (1) The purchaser or assignee of all or a portion of a
43 tax credit under subsection (d) shall immediately claim the
44 tax credit in the taxable year in which the purchase or
45 assignment is made.

46 (2) The amount of the tax credit that a purchaser or
47 assignee may use against one qualified tax liability may not
48 exceed 50% of the qualified tax liability for the taxable
49 year.

50 (3) The purchaser or assignee may not carry forward,
51 carry back or obtain a refund of or sell or assign the tax

1 credit.

2 (4) The purchaser or assignee shall notify the
3 Department of Revenue of the seller or assignor of the tax
4 credit in compliance with procedures specified by the
5 Department of Revenue.

6 (f) Exception.--Notwithstanding any other provision of law
7 to the contrary, a recipient which held a rehearsal after
8 January 1, 2017, but before October 1, 2018, may use the tax
9 credit granted to the recipient under this subarticle against
10 the recipient's 2018 qualified tax liability or may sell or
11 assign the tax credit granted to the recipient under this
12 subarticle upon satisfaction of the recipient's 2018 qualified
13 tax liability.

14 Section 1777-D. Limitations.

15 (a) Cap.--[Except as provided in this subsection, the
16 department may not award tax credits for qualified rehearsal and
17 tour expenses incurred or to be incurred related to more than
18 five tours in a fiscal year.] The aggregate amount of tax
19 credits awarded in a fiscal year under this subarticle may not
20 exceed \$8,000,000. In a fiscal year, the department may, in the
21 department's discretion, advance the award of tax credits for
22 qualified rehearsal and tour expenses incurred or to be incurred
23 [related to a maximum of two additional tours.] equal to
24 \$2,000,000 of the tax credits available to be awarded in the
25 succeeding fiscal year.

26 (b) Advance award of credits.--The advance award of tax
27 credits under subsection (a) shall:

28 (1) count against the total [number of tours] amount of
29 tax credits that the department may award [tax credits] for
30 qualified rehearsal and tour expenses incurred or to be
31 incurred related to a tour in that next succeeding fiscal
32 year; and

33 (2) reduce the [number of tours] total amount of tax
34 credits that the department may award [tax credits] for
35 qualified rehearsal and tour expenses incurred or to be
36 incurred related to a tour in that next succeeding fiscal
37 year.

38 (c) Individual limitations.--The following shall apply:

39 (1) [A taxpayer may not be awarded more than \$800,000 of
40 tax credits for a tour.] If a taxpayer's purchase or rental
41 of concert tour equipment from companies located and
42 maintaining a place of business in this Commonwealth for use
43 on a tour is at least \$3,000,000 but less than \$4,000,000,
44 the taxpayer may not be awarded more than \$800,000 of tax
45 credits for the tour.

46 (1.1) If a taxpayer's purchase or rental of concert tour
47 equipment from companies located and maintaining a place of
48 business in this Commonwealth for use on a tour is at least
49 \$4,000,000 but less than \$8,000,000, the taxpayer may not be
50 awarded more than \$1,250,000 of tax credits for the tour.

51 (1.2) If a taxpayer's purchase or rental of concert tour

1 equipment from companies located and maintaining a place of
2 business in this Commonwealth for use on a tour is at least
3 \$8,000,000, the taxpayer may not be awarded more than
4 \$2,000,000 of tax credits for the tour.

5 (2) Except as provided under paragraph (5), the
6 aggregate amount of tax credits awarded by the department
7 under section 1773-D(e) to a taxpayer for a tour with
8 concerts at two class 1 venues or a class 1 venue and a class
9 2 venue may not exceed 25% of the qualified rehearsal and
10 tour expenses incurred or to be incurred.

11 (3) Except as provided under paragraph (5), the
12 aggregate amount of tax credits awarded by the department
13 under section 1773-D(e) to a taxpayer for a tour with
14 concerts at a class 1 venue and a class 3 venue may not
15 exceed 30% of the qualified rehearsal and tour expenses
16 incurred or to be incurred.

17 (4) Except as provided under paragraph (5), the
18 aggregate amount of tax credits awarded by the department
19 under section 1773-D(e) to a taxpayer for a tour with
20 concerts at a class 1 venue and a class 3 venue which does
21 not serve alcohol may not exceed 35% of the qualified
22 rehearsal and tour expenses incurred or to be incurred.

23 (5) In addition to the tax credits under paragraph (2),
24 (3) or (4), a taxpayer is eligible for a tax credit in the
25 amount of 5% of the qualified rehearsal and tour expenses
26 incurred or to be incurred by the taxpayer if the taxpayer
27 holds concerts at a total of two or more class 2 venues or
28 class 3 venues.

29 (d) Qualified rehearsal facility.--To be considered a
30 qualified rehearsal facility under this subarticle, the owner of
31 a rehearsal facility shall provide evidence to the department to
32 verify the development or facility specifications and capital
33 improvement costs incurred for the rehearsal facility so that
34 the threshold amounts set in the definition of qualified
35 rehearsal facility under section 1772-D are satisfied, and, upon
36 verification, the rehearsal facility shall be registered by the
37 department officially as a qualified rehearsal facility.

38 (e) Waiver.--The department may make a determination that
39 the financial benefit to this Commonwealth resulting from the
40 direct investment in or payments made to Pennsylvania rehearsal
41 and concert facilities outweighs the benefit of maintaining the
42 60% Pennsylvania rehearsal expenses requirement contained in the
43 definition of qualified rehearsal and tour expense under section
44 1772-D. If the determination is made, the department may waive
45 the requirement that 60% of a tour's aggregate rehearsal
46 expenses be comprised of Pennsylvania rehearsal expenses.

47 Section 13.1. The definitions of "conservation plan,"
48 "eligible applicants" and "riparian forest buffer" in section
49 1702-E of the act are amended and the section is amended by
50 adding definitions to read:
51 Section 1702-E. 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 * * *

5 "Conservation plan." A United States Department of
6 Agriculture Natural Resources Conservation Service plan,
7 including a schedule for implementation, that identifies site-
8 specific conservation best management practices on an
9 agricultural operation.

10 * * *

11 "Eligible applicants." [A business firm or an individual who
12 is subject to the taxes imposed by Article III, IV, VI, VII,
13 VIII, IX or XV.] Any of the following subject to the taxes
14 imposed by Article III, IV, VI, VII, VIII, IX or XV:

15 (1) A business firm.

16 (2) An individual.

17 (3) Individuals filing jointly.

18 * * *

19 "Manure management plan." A written site-specific plan that:

20 (1) outlines practices for the land application of
21 manure and agricultural process wastewaters acceptable to the
22 commission; and

23 (2) is developed to meet the requirements of 25 Pa. Code
24 § 91.36(b) (relating to pollution control and prevention at
25 agricultural operations).

26 * * *

27 "Riparian forest buffer." An area of mostly trees or shrubs
28 which is adjacent to and up-gradient from watercourses or water
29 bodies and which meets standards established [by the United
30 States Department of Agriculture Natural Resources and
31 Conservation Service] or adopted by the commission.

32 * * *

33 "Total maximum daily load" or "TMDL." The sum of individual
34 waste load allocations for point sources, load allocations for
35 nonpoint sources and natural quality and a margin of safety
36 expressed in terms of mass per time, toxicity or other
37 appropriate measures.

38 * * *

39 Section 13.2. Sections 1703-E(b)(1), (2) and (5) and (c),
40 1704-E(a)(2), (4) and (5), (b)(1)(i), (2) and (3) and (c), 1705-
41 E(2) and (3), 1709-E, 1702-H, 1703-H, 1705-H(d) and (e) and
42 1706-H(a) of the act are amended to read:

43 Section 1703-E. Resource Enhancement and Protection Tax Credit
44 Program.

45 * * *

46 (b) Limits.--The following limits shall apply:

47 (1) Except as set forth in paragraph (5), an eligible
48 applicant may be granted a maximum of [\$150,000 in tax
49 credits under this program] \$250,000 in tax credits in any
50 consecutive seven-year period, calculated from the date the
51 tax credit is issued.

(2) [No more than \$150,000 in tax credits shall be granted toward projects for an agricultural operation.] An agricultural operation may be granted a maximum of \$250,000 in tax credits in any consecutive seven-year period, calculated from the date the tax credit is issued.

* * *

(5) Notwithstanding paragraph (1), there shall be no limit on the amount of tax credits granted to a sponsor under subsection (e)[.], except the commission may establish annual aggregate limits on tax credits awarded to sponsors to ensure fair and equitable distribution of tax benefits to eligible applicants.

* * *

(c) Carryover.--

(1) If the eligible applicant cannot use the entire amount of the tax credit for the taxable year in which the tax credit is first granted, then the excess may be carried over to succeeding taxable years and used as a credit against the qualified tax liability of the eligible applicant for those taxable years. Each time that the tax credit is carried over to a succeeding taxable year, it is to be reduced by the amount that was used as a credit during the immediately preceding taxable year. The tax credit provided by this article may be carried over and applied to succeeding taxable years for no more than 15 taxable years following the first taxable year for which the eligible applicant was entitled to claim the credit.

(2) A tax credit granted by the department shall be applied against the taxpayer's qualified tax liability for the current taxable year as of the date on which the credit was granted before the tax credit is applied against any tax liability under paragraph (1).

(2.1) A tax credit granted under this article may be applied to the tax liability of the spouse of an eligible applicant if both the eligible applicant and the spouse report income on a joint income tax return.

(3) A tax credit granted under this article shall not be carried back or refunded.

* * *

Section 1704-E. Tax credits.

(a) General eligibility.--Projects shall be eligible for a tax credit as follows:

* * *

(2) An agricultural operation shall have in place a current conservation plan[,], or a current agricultural erosion and sediment control plan if engaged in plowing and tilling, and a current nutrient management plan or manure management plan, if required, or the development of such plans shall be included in an application for a tax credit.

* * *

(4) An agricultural operation with an uncompleted best

1 management practice of either a conservation plan or an
2 agricultural erosion and sediment control plan if engaged in
3 plowing and tilling or a nutrient management plan or manure
4 management plan, if required, shall first include the
5 remaining best management practices included in such plans in
6 an application for a tax credit.

7 (5) A project shall meet the planning, design [and],
8 construction and certification standards established by the
9 commission. If standards do not exist for a best management
10 practice approved by the commission, the commission may
11 establish or approve planning, design, construction and
12 certification standards for such a best management practice.

13 (b) Amount of tax credit.--

14 (1) A tax credit equal to 75% of the eligible costs
15 under subsection (c) of a project authorized under section
16 1707-E shall be granted for any of the following:

17 (i) Development of a voluntary or mandatory nutrient
18 management plan or manure management plan.

19 * * *

20 (2) A tax credit equal to 50% of the eligible costs
21 under subsection (c) of a project authorized under section
22 1707-E shall be granted for any of the following:

23 (i) For an agricultural operation, design and
24 implementation of agricultural best management practices
25 or the installation and use of equipment, provided that
26 the best management practice or equipment is necessary to
27 reduce existing sediment and nutrient pollution to
28 surface waters. Such best management practices and
29 equipment shall be identified by the commission and may
30 include manure storage systems, alternative uses for
31 manure, filter strips, grassed waterways, management
32 intensive grazing systems and no-till planting equipment.

33 (ii) Design and implementation of best management
34 practices necessary to exclude livestock access to
35 streams through fencing, stabilized crossings and
36 improved watering systems, if there is established and
37 maintained a vegetated riparian or riparian forest buffer
38 with a minimum width of 35 feet.

39 (iii) The remediation of legacy sediment, if the
40 legacy sediment is exposed and discharges or threatens to
41 discharge into surface waters as a result of acute stream
42 bank erosion. The project shall meet standards
43 established by the commission as being effective in
44 mitigating or eliminating the harmful effects of legacy
45 sediment.

46 [(3) A tax credit equal to 25% of the eligible costs
47 under subsection (c) of a project authorized under section
48 1707-E shall be granted for the remediation of legacy
49 sediment if the legacy sediment is exposed and is discharging
50 or threatens to discharge into surface waters as a result of
51 acute stream bank erosion. The project shall meet standards

1 established by the commission as being effective in
2 mitigating or eliminating the harmful effects of legacy
3 sediment.]

4 (4) Notwithstanding any other provision of this section,
5 a tax credit equal to 90% of the eligible costs under
6 subsection (c) of a project authorized under section 1707-E
7 may be granted for certain high-priority best management
8 practices as determined by the commission and implemented
9 within a watershed covered under an approved TMDL, including:

10 (i) Riparian forest buffers and their maintenance.

11 (ii) Livestock exclusion from streams and supporting
12 practices.

13 (iii) Stream crossings.

14 (iv) Cover crops.

15 (v) Soil health best management practices as
16 determined appropriate by the commission.

17 (vi) Other best management practices as determined
18 appropriate by the commission.

19 (c) Costs of project.--

20 (1) The following shall be considered eligible costs of
21 a project to which a tax credit may be applied:

22 (i) Project design, engineering and associated
23 planning.

24 (ii) Project management costs, including
25 contracting, document preparation and applications.

26 (iii) Project construction or installation.

27 (iv) Equipment, materials and all other components
28 of projects eligible under subsection (a).

29 (v) Postconstruction inspections.

30 (vi) Interest payments on loans for project
31 implementation for up to one year prior to the award of
32 the tax credit.

33 (2) A tax credit shall not be applied to that portion of
34 a project cost for which public funding was received.

35 (3) Eligible costs of a project shall include any of the
36 services listed in paragraph (1) that may be provided by a
37 conservation district.

38 (4) Notwithstanding any other provision of this article,
39 tax credits for annual maintenance best management practices,
40 such as cover crops, buffer maintenance and other annual
41 practices approved by the commission, shall not exceed fixed
42 rates or schedules established by the commission in annual
43 program guidelines.

44 Section 1705-E. Project certification.

45 A project shall be certified by the commission as meeting
46 standards under section 1704-E(a) (5) by the following:

47 * * *

48 (2) riparian forest buffer: technical service provider
49 or staff from a conservation district or USDA-NRCS approved
50 by the commission;

51 (3) [nutrient management plan: nutrient management

specialist] nutrient management plan or manure management plan: a nutrient management specialist or any person trained and experienced in manure and nutrient management planning techniques and whose qualifications are acceptable to the commission; and

* * *

Section 1709-E. Annual tax credits.

(a) Total amount.--The total amount of tax credits authorized by the commission shall not exceed [\$10,000,000] \$13,000,000 in any fiscal year.

(b) Chesapeake Bay watershed prioritization.--
Notwithstanding any provision of this article to the contrary, the commission may reserve and target up to \$3,000,000 of the total amount under subsection (a) in any fiscal year for geographic areas and best management practices for nutrient and sediment reductions within the Chesapeake Bay watershed area.

Section 1702-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:

"Commission." The Pennsylvania Historical and Museum Commission.

"Completed project." The completion of the [restoration] rehabilitation of a qualified historic structure in accordance with a qualified rehabilitation plan and the receipt of an occupancy certificate for the structure.

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

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

"Qualified expenditures." The costs and expenses incurred by a qualified taxpayer in the [restoration] rehabilitation of a qualified historic structure pursuant to a qualified rehabilitation plan and which are defined as qualified rehabilitation expenditures under section 47(c)(2) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 47(c)(2)).

"Qualified historic structure." A [commercial] building located in this Commonwealth that qualifies as a certified historic structure under section 47(c)(3) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 47(c)(3)).

"Qualified rehabilitation plan." A plan to rehabilitate a qualified historic structure that is approved by the Pennsylvania Historical and Museum Commission as being consistent with the standards for rehabilitation and guidelines for rehabilitation of historic buildings as adopted by the United States Secretary of the Interior.

"Qualified tax liability." Tax liability imposed on a taxpayer under Article III, IV, VI, VII, VIII, IX, XI or XV, excluding any tax withheld by an employer under Article III.

"Qualified taxpayer." Any natural person, corporation, business trust, limited liability company, partnership, limited

1 liability partnership, association or any other form of legal
2 business entity that:

3 (1) Is subject to a tax imposed under Article III, IV,
4 VI, VII, VIII, IX, XI or XV, excluding any tax withheld by an
5 employer under Article III.

6 (2) Owns a qualified historic structure.

7 "Region." A community action team region as established by
8 the Department of Community and Economic Development.

9 "Workforce housing project." A completed project in which,
10 for a period of seven years after the building is placed in
11 service, at least 20% of the units meet the Department of
12 Housing and Urban Development's definition of "affordable" for
13 individuals earning 80% of the area median income.

14 Section 1703-H. Tax credit certificates.

15 (a) Application.--

16 (1) A qualified taxpayer may apply to the Department of
17 Community and Economic Development for a tax credit
18 certificate under this section.

19 (2) The application shall be on the form required by the
20 Department of Community and Economic Development [and], shall
21 include a qualified rehabilitation plan[.], shall state
22 whether the project meets the definition of "workforce
23 housing project" and, if applicable, shall include the plan
24 for the project to meet the definition of "workforce housing
25 project."

26 (3) [The application shall be filed on or before
27 February 1 for qualified expenditures incurred and to be
28 incurred in connection with the completed project.] The
29 Department of Community and Economic Development shall
30 establish an application processing fee. The fee structure
31 shall be tiered based on the amount of tax credits requested
32 and in no case shall exceed \$2,000.

33 (4) The proceeds of the fee under paragraph (3) shall be
34 deposited into the Historic Rehabilitation Tax Credit
35 Administration Account, which is established as a special
36 fund in the State Treasury. The money in the account shall be
37 appropriated on a continuing basis to the Department of
38 Community and Economic Development and used by the commission
39 and the Department of Community and Economic Development to
40 offset the costs of the review of tax credit applications and
41 awarding of tax credit certificates.

42 (5) The Department of Community and Economic Development
43 shall begin accepting applications for credit certificates on
44 October 1 and close the initial application period on October
45 31.

46 (b) Review, recommendation and approval.--

47 (1) The Department of Community and Economic Development
48 shall forward applications received under this section to the
49 commission for review.

50 [(2) The commission shall review the proposed
51 rehabilitation plan, verify that the building is a qualified

1 historic structure and recommend approval or disapproval to
2 the Department of Community and Economic Development within
3 30 days of receipt of the application. The commission shall
4 notify the qualified taxpayer within 15 days of its
5 determination.]

6 (2.1) The commission shall review the proposed
7 rehabilitation plan in each application, verify that the
8 building is a qualified historic structure and by December 1
9 provide the Department of Community and Economic Development
10 a list of eligible projects.

11 (2.2) The Department of Community and Economic
12 Development shall allocate the credits and release a list of
13 allocated projects within 15 days. Applicants with approved
14 allocations shall be provided with an award letter.

15 (2.3) Any amount of tax credit certificates up to the
16 annual program limit of \$5,000,000 not awarded within the
17 initial application period shall be available on a first-
18 come, first-served basis through a process determined by the
19 Department of Community and Economic Development.

20 (3) The commission shall notify the Department of
21 Community and Economic Development of verification of a
22 completed project and notify the Department of Community and
23 Economic Development of the amount of qualified expenditures
24 incurred by the taxpayer in connection with the completed
25 project.

26 (4) If the Department of Community and Economic
27 Development has approved the application and received
28 notification of a completed project, it shall issue the
29 qualified taxpayer a tax credit certificate [by April 1]
30 within 45 days of the receipt of an approved, completed
31 project. A tax credit certificate issued under this section
32 shall not exceed [25%] either:

33 (i) twenty-five percent of qualified expenditures
34 determined by the commission to have been incurred by the
35 qualified taxpayer in connection with the completed
36 project[.]; or

37 (ii) thirty percent of qualified expenditures
38 determined by the commission to have been incurred by the
39 qualified taxpayer in connection with a workforce housing
40 project.

41 (5) In granting tax credit certificates under this
42 article, the Department of Community and Economic
43 Development:

44 (i) Shall not grant more than [\$3,000,000]
45 \$5,000,000 in tax credit certificates in any fiscal year
46 exclusive of any tax credit certificates not awarded or
47 returned from previous fiscal years.

48 (ii) Shall not grant more than \$500,000 in tax
49 credit certificates to a single qualified taxpayer in any
50 fiscal year.

51 (iii) Shall assure that credits are awarded in an

equitable manner to each region in this Commonwealth.
However, credits allocated to a region that are unclaimed shall be promptly reallocated to eligible projects in other regions.

[(6) Tax credits under this article shall be made available on a first-come, first-served basis within the limitation established under subsection (b)(5).]

Section 1705-H. Carryover, carryback and assignment of credit.

* * *

(d) Sale or assignment.--The following shall apply:

(1) A qualified taxpayer or a purchaser or assignee of a tax credit obtained under section 1703-H or a shareholder, member or partner of a pass-through entity that was transferred the tax credit or a portion of the tax credit from such pass-through entity subject to section 1706-H, upon application to and approval by the Department of Community and Economic Development, may sell or assign, in whole or in part, a tax credit granted to the qualified taxpayer under this article.

(2) Before an application is approved, the department 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.

(e) Purchasers and assignees.--[The purchaser or assignee of all or a portion of a tax credit obtained under section 1703-H shall immediately claim the credit in the taxable year in which the purchase or assignment is made. The purchaser or assignee may not carry forward, carry back or obtain a refund of or sell or assign the tax credit. The purchaser or assignee shall notify the department of the seller or assignor of the tax credit in compliance with procedures specified by the department.]

(1) If a purchaser or assignee of all or a portion of a tax credit obtained under section 1703-H cannot use the entire amount of the tax credit for the taxable year in which the tax credit was purchased or assigned, the excess may be carried over to succeeding taxable years and used as a credit against the qualified tax liability of the purchaser or assignee for those taxable years.

(2) Each time a tax credit is carried over to a succeeding taxable year, the tax credit shall be reduced by the amount that was used as a credit during the immediately preceding taxable year.

(3) The tax credit may be carried over and applied to succeeding taxable years for not more than seven taxable years following the first taxable year for which the qualified taxpayer was entitled to claim the credit.

(4) The purchaser or assignee may not carry back the credit or obtain a refund.

Section 1706-H. Pass-through entity.

(a) General rule.--If a pass-through entity has any unused

1 tax credit under section 1705-H, it may elect, in writing,
2 according to procedures established by the department, to
3 transfer all or a portion of the credit to its shareholders,
4 members or partners in proportion to the share of the entity's
5 distributive income to which the shareholder, member or partner
6 is entitled.

7 * * *

8 Section 13.3. The act is amended by adding a section to
9 read:

10 Section 1707.1-H. Annual report to General Assembly.

11 (a) Report on tax credit.--By October 1, 2020, and October 1
12 of each year thereafter, the Department of Community and
13 Economic Development shall submit a report on the tax credit
14 under this article to:

15 (1) The chairperson and minority chairperson of the
16 Appropriations Committee of the Senate.

17 (2) The chairperson and minority chairperson of the
18 Appropriations Committee of the House of Representatives.

19 (3) The chairperson and minority chairperson of the
20 Finance Committee of the Senate.

21 (4) The chairperson and minority chairperson of the
22 Finance Committee of the House of Representatives.

23 (b) Report content.--The report shall include:

24 (1) The list of completed projects that have been
25 awarded tax credits.

26 (2) The amount of Federal rehabilitation tax credits
27 received by each completed project.

28 (3) The amount of State historic preservation incentive
29 tax credits received by each completed project.

30 (4) Total project costs and the amount of private
31 investment in each completed project.

32 (5) The total number of completed projects placed into
33 service in the past year that were vacant for at least 12
34 months prior to commencement of rehabilitation work.

35 (6) The total number of completed projects placed into
36 service in the past year that had not paid property taxes for
37 at least 12 months prior to the commencement of
38 rehabilitation work.

39 (7) The total number of temporary construction jobs and
40 permanent jobs created by completed projects placed into
41 service in the prior year.

42 (8) The amount of workforce housing projects placed into
43 service in the prior year.

44 (c) Information to be posted on public Internet website.--
45 Notwithstanding any law providing for the confidentiality of tax
46 records, the information in the report shall be public
47 information and shall be posted on the Department of Community
48 and Economic Development's publicly accessible Internet website.

49 (d) Review of tax credit program.--The Department of
50 Community and Economic Development, in cooperation with the
51 commission, shall undertake a review of the Historic

1 Preservation Incentive Tax Credit Program to determine the
2 effectiveness of the program in preserving and rehabilitating
3 the Commonwealth's historic structures and the impact these
4 efforts have had on the stimulation of investment in this
5 Commonwealth. The results of the review shall be included in the
6 annual report due October 1, 2025.

7 Section 13.4. Sections 1708-H and 1709-H of the act are
8 amended to read:

9 Section 1708-H. Application of Internal Revenue Code.

10 The provisions of section 47 of the Internal Revenue Code and
11 the regulations promulgated regarding those provisions shall
12 apply to the department's interpretation and administration of
13 the credit provided under this article without regard to ratably
14 allocating the credit over a five-year period as required by
15 section 47(a) of the Internal Revenue Code. References to the
16 Internal Revenue Code shall mean the sections of the Internal
17 Revenue Code as existing on any date of interpretation of this
18 article, except, if those sections of the Internal Revenue Code
19 referenced in this article are repealed or terminated,
20 references to the Internal Revenue Code shall mean those
21 sections last having full force and effect without regard to
22 ratably allocating the credit over a five-year period as
23 required by section 47(a) of the Internal Revenue Code. If after
24 repeal or termination the Internal Revenue Code sections are
25 revised or reenacted, references in this article to Internal
26 Revenue Code sections shall mean those revised or reenacted
27 sections.

28 Section 1709-H. Limitation.

29 Taxpayers shall not be entitled to apply for historic
30 preservation tax credits after [the seventh fiscal year
31 following the effective date of this article] February 1, 2031.

32 Section 13.5. The act is amended by adding a section to
33 read:

34 Section 1710-H. Recapture.

35 In the event that a tax credit or a portion of a tax credit
36 is subject to recapture and the tax credit has been purchased,
37 assigned or transferred, the Commonwealth shall pursue its
38 recapture remedies and rights against the qualified taxpayer
39 that applied for the credit. No redress shall be sought against
40 an assignee, purchaser or transferee of the tax credit if the
41 assignee, purchaser or transferee acquired the tax credit by way
42 of an arm's-length transaction, for value and without notice of
43 violation, fraud or misrepresentation.

44 Section 14. Section 1703-J of the act is amended by adding
45 definitions to read:

46 Section 1703-J. Definitions.

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

50 * * *

51 "Federal coal refuse reclamation tax credit amount." The

1 actual amount of tax credits obtained by an eligible facility
2 under a Federal coal refuse reclamation tax credit program in
3 the four Federal tax quarters that precede the fiscal year in
4 which credits are awarded under section 1707-J(a).

5 "Federal coal refuse reclamation tax credit program." A
6 program established under the Federal Internal Revenue Code that
7 provides a tax credit for an eligible facility against Federal
8 income taxes based upon the amount of coal refuse used at the
9 eligible facility.

10 * * *

11 Section 15. Section 1704-J(d) of the act is amended and the
12 section is amended by adding a subsection to read:
13 Section 1704-J. Application and approval of tax credit.

14 * * *

15 (c.1) Netting of Federal tax credit.--If a Federal coal
16 refuse reclamation tax credit program is adopted and becomes
17 effective, the following shall apply:

18 (1) Each eligible facility shall report as part of its
19 application under subsection (a) the Federal coal refuse
20 reclamation tax credit amount received by the eligible
21 facility for the four Federal tax quarters that immediately
22 preceded the submittal of the application.

23 (2) The amount of tax credits received by an eligible
24 facility as calculated under subsection (b) shall be reduced
25 by the Federal coal refuse reclamation tax credit amount
26 received by the eligible facility for the four Federal tax
27 quarters that immediately preceded the submittal of the
28 application under this section.

29 (d) Expiration.--The department may not approve an
30 application for a tax credit under this article after December
31 31, [2026] 2036.

32 Section 16. Section 1707-J(a) of the act is amended to read:
33 Section 1707-J. Limitation on tax credits.

34 (a) Amount.--The total amount of tax credits issued by the
35 department may not exceed \$7,500,000 in fiscal year 2016-2017
36 [and \$10,000,000 in each fiscal year thereafter], \$10,000,000 in
37 fiscal years 2017-2018 and 2018-2019 and \$20,000,000 in each
38 fiscal year thereafter.

39 * * *

40 Section 17. Section 1803-B of the act is amended by adding a
41 subsection to read:
42 Section 1803-B. Application process.

43 * * *

44 (e) Expiration.--The department may not approve an
45 application for a tax credit under this article after June 30,
46 2020.

47 Section 17.1. The definition of "infrastructure" in section
48 1802-C of the act is amended to read:
49 Section 1802-C. Definitions.

50 The following words and phrases when used in this article
51 shall have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 * * *

3 "Infrastructure." Any improvements in or out of the zone
4 [primarily] that the contracting authority determines to be
5 related to the development of [and required by] a facility in
6 the zone, including, but not limited to, improvements to
7 utilities, water, sewer, storm water, parking, road improvements
8 or telecommunications within the city or municipality or within
9 a municipality contiguous to that city or municipality.

10 * * *

11 Section 17.2. Section 1813-C(a) of the act is amended by
12 adding a paragraph to read:

13 Section 1813-C. Restrictions.

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

16 * * *

17 (1.1) Payment of debt service on bonds issued or
18 refinanced to establish a revolving loan fund that will
19 provide financial assistance in the form of a loan to a
20 qualified business acquiring property for the business,
21 constructing a new facility, reconstructing or renovating an
22 existing facility or acquiring new equipment to be used by
23 the qualifying business in a zone.

24 * * *

25 Section 18. The definitions of "principal business
26 operations," "rural business" and "rural growth investment" in
27 section 1822-G of the act are amended and the section is amended
28 by adding definitions to read:

29 Section 1822-G. Definitions.

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

33 * * *

34 "Full-time equivalent employee." The quotient obtained by
35 dividing the total number of hours for which employees were
36 compensated for employment over the preceding 12-month period by
37 2,080.

38 * * *

39 "Jobs created." Full-time equivalent employee positions
40 that:

41 (1) Are created by the rural business.

42 (2) Are currently located in this Commonwealth.

43 (3) Were not located in this Commonwealth at the time of
44 the rural growth investment in the rural business.

45 (4) Pay at least 150% of the Federal or State minimum
46 wage, whichever is greater.

47 "Jobs retained." Full-time equivalent employee positions
48 that:

49 (1) Are located in this Commonwealth.

50 (2) Existed before the initial rural growth investment
51 in the rural business.

1 (3) Pay at least 150% of the Federal or State minimum
2 wage, whichever is greater.

3 (4) Would have been lost or moved out of this
4 Commonwealth had a rural growth investment not been made, as
5 certified in writing by an executive officer of the rural
6 business and approved by the department.

7 "Principal business operations." The place or places where
8 at least 60% of a rural business' employees work or where
9 employees that are paid at least 60% of the business' payroll
10 work. An out-of-State business that has agreed to relocate
11 employees or an in-State business that has agreed to hire
12 employees using the proceeds of a rural growth investment to
13 establish principal business operations in a rural area in this
14 Commonwealth shall be deemed to have the principal business
15 operations in this new location if the business satisfies this
16 definition within 180 days after receiving the rural growth
17 investment, unless the department agrees to a later date.

18 * * *

19 "Rural business." A business that, at the time of the
20 initial rural growth investment in the business by a rural
21 growth fund, meets the following conditions:

22 (1) Has fewer than [250] 150 employees and not more than
23 \$15,000,000 in net income as determined by generally accepted
24 accounting principles for the preceding calendar year.

25 (2) Has principal business operations in one or more
26 rural areas in this Commonwealth.

27 (3) Is engaged in industries related to manufacturing,
28 plant sciences, services or technology or, if not engaged in
29 those industries, the department makes a determination that
30 the investment will be highly beneficial to the economic
31 growth of this Commonwealth.

32 * * *

33 "Rural growth investment." A capital or equity investment in
34 a rural business or any loan to a rural business with a stated
35 maturity at least one year after the date of issuance. A secured
36 loan or a revolving line of credit provided to a rural business
37 is a rural growth investment only if the growth fund obtains an
38 affidavit from the president or chief executive officer or
39 equivalent position of the rural business attesting that the
40 rural business sought and was denied similar financing from a
41 commercial bank.

42 "State repayment amount." The amount by which the rural
43 growth fund's credit-eligible capital contributions exceed the
44 product obtained by multiplying \$30,000 by the aggregate number
45 of jobs created and jobs retained reported in annual reports
46 under section 1827-G(b).

47 * * *

48 Section 19. Sections 1824-G(b)(2) and (3), (d)(4) and (e),
49 1825-G(a)(2), 1826-G(a), 1827-G, 1828-G(c), 1829-G(b)(2.1) and
50 (3), 1830-G(a), 1832-G(c), 1833-G(a) and 1834-G(a) of the act
51 are amended to read:

1 Section 1824-G. Rural growth funds.

2 * * *

3 (b) Information.--An application to qualify as a rural
4 growth fund shall include all of the following:

5 * * *

6 (2) Documents and other evidence sufficient to prove to
7 the satisfaction of the department that the applicant meets
8 all of the following criteria:

9 (i) The applicant or an affiliate of the applicant
10 is licensed as a rural business investment company under
11 the Consolidated Farm and Rural Development Act (Public
12 Law 87-128, 75 Stat. 307) or as a small business
13 investment company under the Small Business Investment
14 Act of 1958 (Public Law 85-699, 72 Stat. 689).

15 (ii) Evidence that as of the date the application is
16 submitted, the applicant or affiliates of the applicant
17 have invested at least \$100,000,000 in nonpublic
18 companies located in rural areas of this Commonwealth or
19 other states.

20 (iii) At least one principal in a rural business
21 investment company or a small business investment company
22 has been an officer or employee of the applicant or of an
23 affiliate of the applicant for at least four years prior
24 to the date the application is submitted.

25 (3) An estimate of the number of jobs [that will be]
26 created or retained in this Commonwealth [as a result of]
27 that will result from the applicant's rural growth
28 investments.

29 * * *

30 (d) Notice of approval or disapproval.--

31 * * *

32 (4) An applicant may resubmit the application within 30
33 days after receipt of a notice of disapproval[.] and provide
34 additional information to complete, clarify or cure defects
35 identified in the application by the department. The
36 department shall consider that application submitted before
37 any pending applications submitted after the date the
38 application was originally submitted.

39 (e) Request for determination.--A rural growth fund, before
40 making a rural growth investment, may request from the
41 department a written opinion as to whether the business in which
42 the rural growth fund [proposed] proposes to invest is a rural
43 business. The department shall notify the rural growth fund of
44 the determination within 15 days after receipt of the request.
45 If the department fails to notify a rural growth fund of the
46 determination within 15 days, the business in which the rural
47 growth fund proposes to invest shall be considered a rural
48 business.

49 * * *

50 Section 1825-G. Requirements.

51 (a) Collections.--Upon receiving approval under section

1 1824-G, a rural growth fund must do all of the following within
2 60 days:

3 * * *

4 (2) Collect one or more investments of cash that, when
5 added to the contributions collected under paragraph (1),
6 equal the rural growth fund's investment authority. At least
7 10% of the rural growth fund's investment authority shall be
8 comprised of equity investments contributed, directly or
9 indirectly, by affiliates of the rural growth fund, including
10 employees, officers and directors of the affiliates.

11 * * *

12 Section 1826-G. Rural growth fund failure to comply.

13 (a) Revocation.--If a rural growth fund fails to meet the
14 requirements of section 1825-G, the rural growth fund's approval
15 shall be revoked, and, the corresponding investment authority
16 and credit-eligible capital contributions may not be included in
17 determining the limits on total investment authority and credit-
18 eligible capital contributions prescribed in sections 1824-G(f)
19 and 1828-G(c), respectively.

20 * * *

21 Section 1827-G. Reporting obligations.

22 (a) Initial report.--Each rural growth fund shall submit a
23 report to the department on or before the fifth business day
24 after the second anniversary of the closing date. The report
25 shall provide documentation as to the rural growth fund's rural
26 growth investments and include the following information:

27 (1) A bank statement evidencing each rural growth
28 investment.

29 (2) The name, location and industry of each business
30 receiving a rural growth investment, including either the
31 determination letter issued by the department under section
32 1824-G(e) or other evidence that the business qualified as a
33 rural business at the time the investment was made.

34 (3) [The number of jobs created or retained as a result
35 of the fund's rural growth investments as of the last day of
36 the preceding calendar year.]

37 (4) Any other information required by the department.

38 (5) A copy of the commitment letter or summary of the
39 terms and conditions of the rural growth investment offered
40 to and accepted by the rural business.

41 (b) Annual report.--No later than March 1 of each year
42 following the [year in which the report required under
43 subsection (a) is due,] closing date the rural growth fund shall
44 submit an annual report to the department that includes the
45 following information:

46 (1) The number of jobs created [or retained as a result
47 of the fund's rural growth investments as of the last day of
48 the preceding calendar year.] and retained by each rural
49 business. The number of jobs created and retained shall be
50 calculated as follows:

51 (i) The number of jobs created by a rural business

1 is calculated each year by subtracting the number of
2 full-time equivalent employee positions in this
3 Commonwealth at the time of the initial rural growth
4 investment in the rural business from the monthly average
5 of those employment positions for that year. If the
6 number calculated is less than zero, the number shall be
7 reported as zero. The monthly average of full-time
8 equivalent employee positions for a year is calculated by
9 adding together the number of full-time equivalent
10 employee positions existing on the last day of each month
11 of the year and dividing by 12.

12 (ii) The number of jobs retained by a rural business
13 is calculated each year based on the monthly average of
14 full-time equivalent employee positions for that year.
15 The monthly average of full-time equivalent employee
16 positions for a year is calculated by adding together the
17 number of full-time equivalent employee positions
18 existing on the last day of each month of the year and
19 dividing by 12. The reported number of jobs retained for
20 a year may not exceed the number reported on the annual
21 report under this subsection. The rural growth fund shall
22 reduce the number of jobs retained for a year if
23 employment at the rural business drops below the number
24 reported on the annual report.

25 (1.1) If not provided under subsection (a) (2), the name
26 and location of each business receiving a rural growth
27 investment, including either the determination letter issued
28 by the department under section 1824-G(e) or other evidence
29 that the business qualified as a rural business at the time
30 the investment was made.

31 (2) The average [annual salary] hourly wage of the jobs
32 reported in paragraph (1).

33 (3) Any other information required by the department.
34 (c) Report of rural business.--

35 (1) No later than March 1 of each year following the
36 year in which the report required under subsection (a) is
37 due, a rural business that receives a rural growth investment
38 shall submit the following information on a form required by
39 the department:

40 (i) The number of jobs existing at the rural
41 business prior to the rural growth investment.

42 (ii) The number of new jobs created as a result of
43 the rural growth investment.

44 (iii) The number of jobs retained as a result of the
45 rural growth investment.

46 (2) Failure by the rural business to submit the report
47 may result in the reduction of investment authority or credit
48 eligible contribution authority of the rural growth fund.

49 Section 1828-G. Business firms.

50 * * *

51 (c) Limitation.--The department may not approve more than

1 [\$4,000,000] \$30,000,000 in credit-eligible capital
2 contributions under this part.

3 Section 1829-G. Tax credit certificates.

4 * * *

5 (b) Review, recommendation and approval.--

6 * * *

7 (2.1) [A tax credit] Tax credits awarded under this
8 section to a business firm shall not exceed [90%] the amount
9 of the credit-eligible capital contributions made by [a] the
10 business firm.

11 (3) In awarding tax credit certificates under this part,
12 the department:

13 (i) Beginning with fiscal year [2017-2018] 2019-
14 2020, may not award tax credit certificates that would
15 result in the utilization of more than [\$1,000,000]
16 \$6,000,000 in tax credits in any fiscal year, except for
17 tax credits carried forward.

18 (ii) May not award more than [\$4,000,000]
19 \$30,000,000 in tax credit certificates, in the aggregate,
20 under this part.

21 Section 1830-G. Claiming the tax credit.

22 (a) Presentation.--Beginning July 1, [2017] 2019, upon
23 presenting a tax credit certificate to the Department of
24 Revenue, a business firm may claim a tax credit of up to [25%]
25 20% of the amount awarded under section 1829-G for each of the
26 taxable years that includes the third, fourth, fifth [and],
27 sixth and seventh anniversaries of the closing date, exclusive
28 of any tax credit amounts carried over under section 1831-G(b).

29 * * *

30 Section 1832-G. Prohibitions.

31 * * *

32 (c) Business activities.--Neither a rural growth fund nor
33 any business firm that invests in the rural growth fund shall be
34 an affiliate of or have a pecuniary interest in a rural business
35 that receives a rural growth investment from the rural growth
36 fund prior to the rural growth fund's initial rural growth
37 investment in the rural business.

38 Section 1833-G. Revocation of tax credit certificates.

39 (a) Revocation.--The department shall revoke a tax credit
40 certificate awarded under section 1829-G if any of the following
41 occur with respect to a rural growth fund before the rural
42 growth fund exits the program under section 1834-G:

43 (1) The rural growth fund in which the credit-eligible
44 capital contribution was made does not invest all of its
45 investment authority in rural growth investments in this
46 Commonwealth within [two] three years of the closing date
47 with at least 25% of its investment authority initially
48 invested in rural businesses engaged in manufacturing.

49 (2) The rural growth fund, after satisfying the
50 conditions of paragraph (1), fails to maintain rural growth
51 investments equal to 100% of its investment authority until

1 the [sixth] seventh anniversary of the closing date. For the
2 purposes of this paragraph, [an] a rural growth investment is
3 "maintained" even if the rural growth investment is sold or
4 repaid so long as the rural growth fund reinvests an amount
5 equal to the capital returned or recovered by the rural
6 growth fund from the original rural growth investment,
7 exclusive of any profits realized, in other rural growth
8 investments in this Commonwealth within 12 months of the
9 receipt of the capital. Amounts received periodically by a
10 rural growth fund shall be treated as continually invested in
11 rural growth investments if the amounts are reinvested in one
12 or more rural growth investments by the end of the following
13 calendar year. A rural growth fund is not required to
14 reinvest capital returned from rural growth investments after
15 the [fifth] sixth anniversary of the closing date, and the
16 rural growth investments shall be considered held
17 continuously by the rural growth fund through the [sixth]
18 seventh anniversary of the closing date.

19 (3) The rural growth fund, before exiting the program in
20 accordance with section 1834-G, makes a distribution or
21 payment that results in the rural growth fund having less
22 than 100% of its investment authority invested in rural
23 growth investments in this Commonwealth or available for
24 investment in rural growth investments and held in cash and
25 other marketable securities.

26 [(4) The rural growth fund invests more than 20% of its
27 investment authority in the same rural business, including
28 amounts invested in affiliates of the rural business.]

29 (5) The rural growth fund makes a rural growth
30 investment in a rural business that directly or indirectly
31 through an affiliate owns, has the right to acquire an
32 ownership interest, makes a loan to or makes an investment in
33 the rural growth fund, an affiliate of the rural growth fund
34 or an investor in the rural growth fund. This paragraph does
35 not apply to investments in publicly traded securities by a
36 rural business or an owner or affiliate of a rural business.
37 For purposes of this paragraph, a rural growth fund shall not
38 be considered an affiliate of a rural business solely as a
39 result of its rural growth investment. The amount by which a
40 rural growth investment in a rural business, exclusive of
41 receipts or redeemed rural growth investments, exceeds 20% of
42 a rural growth fund's investment authority may not count
43 toward the satisfaction of the requirements of subsections
44 (a)(1) and (2).

45 * * *

46 Section 1834-G. Exit.

47 (a) Application for exit.--On or after the [sixth] seventh
48 anniversary of the closing date, a rural growth fund may apply
49 to the department to exit the Rural Jobs and Investment Tax
50 Credit Program and no longer be subject to regulation under this
51 part. A rural growth fund shall calculate the State repayment

1 amount in its application for exit and if the product is greater
2 than the rural growth fund's credit-eligible capital
3 contributions, the State repayment amount shall equal zero. The
4 department shall respond to the application within 30 days after
5 receipt and confirm the State repayment amount. In evaluating
6 the application, the fact that no tax credit certificates have
7 been revoked and that the rural growth fund has not received a
8 notice of revocation that has not been cured under section 1833-
9 G(b) shall be sufficient evidence to show that the rural growth
10 fund is eligible for exit. The department may not deny an
11 application submitted under this subsection without reasonable
12 cause. If the application is denied, the department shall issue
13 a notice which shall include the reasons for the denial. If the
14 rural growth fund owes a State repayment amount, the rural
15 growth fund may not be permitted to make distributions or
16 payments in excess of the investment authority until the rural
17 growth fund first remits the State repayment amount to the
18 department. All amounts received by the department under this
19 section shall be credited to the General Fund.

20 * * *

21 Section 19.1. Section 1902-A of the act is amended by adding
22 a definition to read:

23 Section 1902-A. Definitions.--The following words, terms and
24 phrases, when used in this article, shall have the meanings
25 ascribed to them in this section, except where the context
26 clearly indicates a different meaning:

27 * * *

28 "Youth and adolescent development services." Financial
29 assistance to provide services to youth and adolescents who are
30 21 years of age and younger, including job training and
31 apprenticeship programs, job placement and retention training,
32 education and after school programs, such as school programs
33 with shared governance by students, teachers and parents, and
34 activities for youth between the hours of 3 p.m. and 11 p.m.,
35 mentoring programs, conflict resolution skills training, sports,
36 arts, life skills, employment and recreation programs, summer
37 jobs, summer recreation programs and alternative school
38 resources for youth who have dropped out of school or
39 demonstrate chronic truancy.

40 Section 19.2. Section 1903-A of the act is amended to read:

41 Section 1903-A. Public Policy.--It is hereby declared to be
42 public policy of this Commonwealth to encourage investment by
43 business firms in offering neighborhood assistance and providing
44 job training, education, crime prevention, youth and adolescent
45 development services and community services, to encourage
46 contributions by business firms to neighborhood organizations
47 which offer and provide such assistance and services and to
48 promote qualified investments made by private companies to
49 rehabilitate, expand or improve buildings or land which promote
50 community economic development and which occur in portions of
51 impoverished areas which have been designated as enterprise

1 zones.

2 Section 19.3. Section 1904-A(a) and (b.1) of the act are
3 amended and the section is amended by adding a subsection to
4 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, affordable housing, domestic
9 violence or veterans' housing assistance, job training or
10 education for individuals, community services, youth and
11 adolescent development services or crime prevention in an
12 impoverished area or private company which makes qualified
13 investment to rehabilitate, expand or improve buildings or land
14 located within portions of impoverished areas which have been
15 designated as enterprise zones shall receive a tax credit as
16 provided in section 1905-A if the secretary annually approves
17 the proposal of such business firm or private company. The
18 proposal shall set forth the program to be conducted, the
19 impoverished area selected, the estimated amount to be invested
20 in the program and the plans for 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[.]; and

28 (3) youth and adolescent development services.

29 * * *

30 (c.1) No more than two million dollars (\$2,000,000) of the
31 total amount of tax credit available under subsection (c) shall
32 be used for youth and adolescent development services.

33 * * *

34 Section 20. Article XIX-D of the act is amended by adding a
35 part to read:

36 PART III

37 ADDITIONAL DESIGNATIONS

38 Section 1921-D. Additional keystone opportunity expansion
39 zones.

40 (a) Establishment.--In addition to any designations under
41 Part II or section 301.1 of the KOZ Act, the department may
42 designate one or more additional keystone opportunity expansion
43 zones within the following counties:

44 (1) A county that has a population of at least 500,000
45 but less than 525,000 based on the 2010 Federal decennial
46 census.

47 (2) A county that has a population of at least 140,000
48 but less than 145,000 based on the 2010 Federal decennial
49 census.

50 (3) A county that has a population of at least 80,000
51 but less than 85,000 based on the 2010 Federal decennial

1 census.

2 (b) Criteria.--Notwithstanding Part II and the KOZ Act, an
3 additional keystone opportunity expansion zone under this part:

4 (1) May be less than 10 acres in size.

5 (2) May not exceed, in the aggregate, a total of 375
6 acres.

7 (3) Shall be comprised of parcels that are deteriorated,
8 underutilized or unoccupied on the effective date of this
9 paragraph.

10 (c) Authorization.--

11 (1) Persons and businesses within an additional keystone
12 opportunity expansion zone authorized under subsection (a)
13 shall be entitled to all tax exemptions, deductions,
14 abateements or credits under this section and exemptions for
15 sales and use tax under section 511(a) or 705(a) of the KOZ
16 Act for a period of 10 years.

17 (2) Exemptions for sales and use taxes under sections
18 511 and 705 of the KOZ Act shall commence upon issuance of a
19 certificate under section 307 of the KOZ Act by the
20 department.

21 (d) Application.--

22 (1) In order to receive a designation under this
23 section, the department must receive an application from a
24 political subdivision or its designee no later than October
25 1, 2021. The application must contain the information
26 required under section 302(a)(1), (2)(i) and (ix), (5) and
27 (6) of the KOZ Act.

28 (2) The department, in consultation with the Department
29 of Revenue, shall review the application and, if approved,
30 issue a certification of all tax exemptions, deductions,
31 abateements or credits under this act for the zone within
32 three months of receipt of the application.

33 (3) The department shall act on an application for a
34 designation under section 302(a)(1) of the KOZ Act by
35 December 31, 2021.

36 (4) The department may make designations under this
37 section on a rolling basis during the application period.

38 (e) Disapproval.--If the department does not approve of a
39 designation as an additional keystone opportunity expansion zone
40 of a parcel under subsection (d), the department shall hold a
41 public hearing in the municipality for which the application was
42 made within 30 days of the disapproval. The Secretary of
43 Community and Economic Development, or a designee, shall provide
44 the following information at the public hearing:

45 (1) The reason for the disapproval.

46 (2) The estimated number of new jobs that would have
47 been created in the parcel.

48 (3) The estimated dollar amount of new investment that
49 would have been made in the parcel.

50 (4) An alternative economic development plan developed
51 by the department that would, if implemented, provide an

equivalent number of jobs and amount of investment in the
municipality for which the application was made.
(f) Transparency.--The department shall conduct the public
hearing required under subsection (e) in accordance with
applicable provisions of 65 Pa.C.S. Ch. 7 (relating to open
meetings).

Section 20.1. Section 1907-E(a) of the act is amended to read:

Section 1907-E. Mixed-use development tax credits.

(a) Tax credit authority.--For purposes, and in accordance with the provisions of this article, the agency may allocate an amount not to exceed [\$2,000,000] \$3,000,000 in each fiscal year in mixed-use development tax credits and is directed to deposit proceeds and earnings derived from the sale into the fund.

* * *

Section 21. Section 2116(a)(2) of the act is amended and the clause is amended by adding a subclause to read:

Section 2116. Inheritance Tax.--(a) * * *

(1.4) Inheritance tax upon the transfer of property to or
for the use of a child twenty-one years of age or younger from a
natural parent, an adoptive parent or a stepparent of the child
shall be at the rate of zero per cent.

(2) Inheritance tax upon the transfer of property passing to or for the use of all persons other than those designated in subclause (1), (1.1), (1.2) [or], (1.3) or 1.4 or exempt under section 2111(m) shall be at the rate of fifteen per cent.

* * *

Section 21.1. The heading of Article XXV and sections 2501 and 2502 of the act are reenacted to read:

ARTICLE XXV

TABLE GAME TAXES

Section 2501. 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:

"Certificate holder." As defined in 4 Pa.C.S. § 1103 (relating to definitions).

"Gross table game revenue." As defined in 4 Pa.C.S. § 1103.

"Table game." As defined in 4 Pa.C.S. § 1103.

Section 2502. Table game taxes.

Commencing August 1, 2016, in addition to the tax payable under 4 Pa.C.S. § 13A62(a)(1) (relating to table game taxes), each certificate holder shall report to the Department of Revenue and pay from its daily gross table game revenue an additional tax of 2% of its daily gross table game revenue. The additional tax shall be subject to all provisions of 4 Pa.C.S. Ch. 13A (relating to table games) relating to the payment of taxes by a certificate holder in the same manner as the tax payable under 4 Pa.C.S. § 13A62(a)(1).

Section 22. Section 2503 of the act is reenacted and amended to read:

1 Section 2503. Expiration.

2 (a) Expiration.--This article shall expire [June 30, 2019]
3 August 1, 2021.

4 [(b) Tax not applicable.--Notwithstanding any law to the
5 contrary, the tax imposed by 4 Pa.C.S. § 13A62(a)(3) (relating
6 to table game taxes) shall not apply for the period from the
7 effective date of this section until after the expiration date
8 in subsection (a).]

9 Section 23. Sections 2931-C and 2945-C of the act are
10 amended by adding subsections to read:

11 Section 2931-C. Sales and use tax.

12 * * *

13 (c) Exclusive use, consumption and utilization.--In making a
14 determination whether tangible personal property is for the
15 exclusive use, consumption and utilization by the qualified
16 business at its facility located within a strategic development
17 area, the Department of Revenue shall construe the term
18 "exclusive use, consumption and utilization" to include use,
19 consumption or utilization at a location other than the facility
20 of computers, laptops, tablet computers, computer hardware,
21 related software, storage media, portable scanners and printers,
22 mobile radio devices, cell phones, cell phone accessories,
23 telecommunications services, global positioning systems and
24 accessories and parts for motor vehicles, by an employee
25 assigned to the facility within the strategic development area.

26 Section 2945-C. Local sales and use tax.

27 * * *

28 (b.1) Exclusive use, consumption and utilization.--In making
29 a determination whether tangible personal property is for the
30 exclusive use, consumption and utilization by the qualified
31 business at its facility located within a strategic development
32 area, the Department of Revenue and the political subdivision
33 imposing the tax shall construe the term "exclusive use,
34 consumption and utilization" to include use, consumption or
35 utilization at a location other than the facility of computers,
36 laptops, tablet computers, computer hardware, related software,
37 storage media, portable scanners and printers, mobile radio
38 devices, cell phones, cell phone accessories, telecommunications
39 services, global positioning systems and accessories and parts
40 for motor vehicles, by an employee assigned to the facility
41 within the strategic development area.

42 * * *

43 Section 24. Section 2914-D(a) of the act is amended to read:
44 Section 2914-D. Limitations.

45 (a) Total.--The total amount of State tax refunds approved
46 by the department under this article shall not exceed
47 [\$5,000,000] \$7,000,000 in any fiscal year.

48 * * *

49 Section 25. The act is amended by adding an article to read:

50 ARTICLE XXIX-H

51 INDEPENDENT PUBLIC SCHOOLS

1 Section 2901-H. Taxability of independent public schools.

2 A charter school, regional charter school or cyber charter
3 school, as defined in section 1703-A of the act of March 10,
4 1949 (P.L.30, No.14), known as the Public School Code of 1949,
5 is an independent public school and shall be free from taxation
6 within this Commonwealth to the same extent as a school district
7 for purposes of the surplus lines tax under section 1621 of the
8 act of May 17, 1921 (P.L.682, No.284), known as The Insurance
9 Company Law of 1921.

10 Section 26. The addition of sections 201(g)(9), (eee),
11 (fff), (ggg) and 202(h) of the act shall apply to sales of malt
12 or brewed beverages sold by a manufacturer of malt or brewed
13 beverages occurring after September 30, 2019.

14 Section 27. The amendment or addition of section 204(49),
15 (71) and (72) of the act shall apply to sales made after
16 December 31, 2019.

17 Section 28. The amendment or addition of section 303(a)(3)
18 (viii) and (5) of the act shall apply to tax years beginning
19 after December 31, 2019.

20 Section 29. The amendment or addition of sections 331(g) and
21 336.3 of the act shall apply to tax years beginning after
22 December 31, 2019.

23 Section 30. The amendment or addition of section 407.7(a)
24 and (d)(1), (1.1) and (1.2) of the act shall apply to tax years
25 beginning after December 31, 2019.

26 Section 31. The amendment of sections 1716-D(a), 1777-D,
27 1709-E, 1702-H, 1703-H, 1705-H(d) and (e) and 1706-H(a) of the
28 act shall apply to fiscal years beginning on or after July 1,
29 2019.

30 Section 32. The amendment or addition of section 2116(a)
31 (1.4) and (2) of the act shall apply to property transferred by
32 a natural parent, an adoptive parent or a stepparent who dies
33 after December 31, 2019.

34 Section 32.1. The reenactment and amendment of section 2503
35 of the act shall apply retroactively to June 29, 2019.

36 Section 33. The following shall apply:

37 (1) The operation of sections 213, 213.1, 213.2, 213.3,
38 213.4, 213.5 and 213.6 of the act shall be suspended as of
39 July 1, 2019.

40 (2) If section 201(b)(3.5) or 237(b)(1.2) of the act are
41 deemed unconstitutional as a result of a decision of the
42 Pennsylvania Supreme Court or if a substantially similar
43 statute from another state is deemed unconstitutional by a
44 decision of the United States Supreme Court, the Secretary of
45 Revenue shall submit a notice of the decision to the
46 Legislative Reference Bureau for publication in the
47 Pennsylvania Bulletin.

48 (3) The suspension of sections 213, 213.1, 213.2, 213.3,
49 213.4, 213.5 and 213.6 of the act shall lapse as of the date
50 of the publication of the notice under paragraph (2).

51 Section 34. The addition of sections 2931-C(c) and 2945-

1 C(b.1) of the act shall not affect any audit, appeal or
2 proceeding pending before the Department of Revenue, the Board
3 of Finance and Revenue or a court of competent jurisdiction in
4 this Commonwealth on the effective date of this section.

5 Section 35. Repeals are as follows:

6 (1) The General Assembly declares that the repeal under
7 paragraph (2) is necessary to effectuate the addition of
8 section 1102-C.6 of the act.

9 (2) Section 406-D(c) of the act of December 3, 1959
10 (P.L.1688, No.621), known as the Housing Finance Agency Law,
11 is repealed.

12 Section 36. Continuation is as follows:

13 (1) The addition of section 1102-C.6 of the act is a
14 continuation of section 406-D(c) of the act of December 3,
15 1959 (P.L. 1688, No. 621), known as the Housing Finance
16 Agency Law. The following apply:

17 (i) All activities initiated under section 406-D(c)
18 of the Housing Finance Agency Law shall continue and
19 remain in full force and effect and may be completed
20 under section 1102-C.6 of the Tax Reform Code of 1971.
21 Orders, regulations, rules and decisions which were made
22 under section 406-D(c) of the Housing Finance Agency Law
23 and which are in effect on the effective date of section
24 35 of this act shall remain in full force and effect
25 until revoked, vacated or modified under section 1102-C.6
26 of the Tax Reform Code of 1971. Contracts, obligations
27 and collective bargaining agreements entered into under
28 section 406-D(c) of the Housing Finance Agency Law are
29 not affected nor impaired by the repeal of section 406-
30 D(c) of the Housing Finance Agency Law.

31 (ii) Any difference in language between section
32 1102-C.6 of the Tax Reform Code of 1971 and section 406-
33 D(c) of the Housing Finance Agency Law is not intended to
34 change or affect the legislative intent, judicial
35 construction or administration and implementation of
36 section 406-D(c) of the Housing Finance Agency Law.

37 (2) (Reserved).

38 Section 37. The amendment of sections 2931-C and 2945-C of
39 the act shall apply to taxable years beginning on or after
40 January 1, 2019.

41 Section 38. This act shall take effect as follows:

42 (1) The following shall take effect immediately:

43 (i) This section.

44 (ii) The amendment or addition of section 303(a)(3)
45 (viii) and (5).

46 (2) The amendment or addition of sections 1714-D(f) and
47 (h), 1703-J(b)(1), (2) and (5) and (c)(1), (2), (2.1) and
48 (3), 1704-J(a)(2), (4) and (5), (b)(1)(i), (2), (3) and (4)
49 and (c) and 1707-J(a) of the act shall take effect in 60
50 days.

51 (3) The remainder of this act shall take effect July 1,

1 2019, or immediately, whichever is later.