

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1539 Session of
1995

INTRODUCED BY BROWNE, DENT, FICHTER, TRELLO, RUBLEY, READSHAW,
EGOLF, M. N. WRIGHT, WALKO, CLARK, D. W. SNYDER, L. I. COHEN,
ROONEY, PLATTS, BOSCOLA, YOUNGBLOOD, J. TAYLOR, ARGALL,
HABAY, HARHART, DURHAM AND WOGAN, MAY 3, 1995

REFERRED TO COMMITTEE ON FINANCE, MAY 3, 1995

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," extending the Neighborhood Assistance Tax Credit
11 to business entities subject to taxes imposed under Article
12 III.

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

15 Section 1. The definition of "business firm" in section
16 1902-A of the act of March 4, 1971 (P.L.6, No.2), known as the
17 Tax Reform Code of 1971, amended July 1, 1994 (P.L.413, No.67),
18 is amended to read:

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

1 "Business firm." Any business entity authorized to do
2 business in this Commonwealth and subject to taxes imposed by
3 Article III, IV, VI, VII, VII-A, VIII, VIII-A, IX, X or XV of
4 this act.

5 * * *

6 Section 2. Section 1905-A of the act, added June 16, 1994
7 (P.L.279, No.48), is amended to read:

8 Section 1905-A. Grant of Tax Credit.--The Department of
9 Revenue shall grant a tax credit against any tax due under
10 Article III, IV, VI, VII, VII-A, VIII, VIII-A, IX, X or XV of
11 this act, or any tax substituted in lieu thereof in an amount
12 which shall not exceed fifty per cent of the total amount
13 invested during the taxable year by the business firm or twenty
14 per cent of qualified investments by a private company in
15 programs approved pursuant to section 1904-A of this act:
16 Provided, That a tax credit of up to seventy per cent of the
17 total amount invested during the taxable year by a business firm
18 or up to thirty per cent of the amount of qualified investments
19 by a private company may be allowed for investment in programs
20 where activities fall within the scope of special program
21 priorities as defined with the approval of the Governor in
22 regulations promulgated by the Secretary of the Department of
23 Community Affairs. Regulations establishing special program
24 priorities are to be promulgated during the first month of each
25 fiscal year and at such times during the year as the public
26 interest dictates. Such credit shall not exceed two hundred
27 fifty thousand dollars (\$250,000) annually, except in the case
28 of comprehensive service projects which shall be allowed an
29 additional credit equal to seventy per cent of the qualifying
30 investments made in comprehensive service projects; however,

1 such additional credit shall not exceed one hundred seventy-five
2 thousand dollars (\$175,000) annually. No tax credit shall be
3 granted to any bank, bank and trust company, insurance company,
4 trust company, national bank, savings association, mutual
5 savings bank or building and loan association for activities
6 that are a part of its normal course of business. Any tax credit
7 not used in the period the investment was made may be carried
8 over for the next five succeeding calendar or fiscal years until
9 the full credit has been allowed. The total amount of all tax
10 credits allowed pursuant to this act shall not exceed fourteen
11 million seven hundred fifty thousand dollars (\$14,750,000) in
12 any one fiscal year.

13 Section 3. This act shall take effect immediately.