
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 2

Session of
2000

INTRODUCED BY SALVATORE, LOEPER, JUBELIRER, TILGHMAN, WAUGH,
RHOADES, LEMMOND, THOMPSON, DENT, HOLL, WENGER, BRIGHTBILL,
ROBBINS, WAGNER AND BOSCOLA, MARCH 20, 2000

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
APRIL 18, 2000

AN ACT

1 ~~Providing a rebate to homeowners and for the powers and duties~~ <—
2 ~~of the Department of Revenue and local assessors; and~~
3 ~~imposing penalties.~~

4 ~~The General Assembly finds and declares as follows:~~

5 ~~(1) School property taxes have escalated at a rate over~~
6 ~~and above the rate of inflation and have become a substantial~~
7 ~~burden on millions of Pennsylvania homeowners. Property tax~~
8 ~~increases are of great concern to citizens of this~~
9 ~~Commonwealth.~~

10 ~~(2) Pennsylvania currently enjoys a unique opportunity~~
11 ~~to provide some relief to homeowners for properties~~
12 ~~identified as homestead properties within the meaning of~~
13 ~~homestead in section 2(b)(vi) of Article VIII of the~~
14 ~~Constitution of Pennsylvania.~~

15 AMENDING THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), ENTITLED "AN <—
16 ACT RELATING TO TAX REFORM AND STATE TAXATION BY CODIFYING
17 AND ENUMERATING CERTAIN SUBJECTS OF TAXATION AND IMPOSING

1 TAXES THEREON; PROVIDING PROCEDURES FOR THE PAYMENT,
2 COLLECTION, ADMINISTRATION AND ENFORCEMENT THEREOF; PROVIDING
3 FOR TAX CREDITS IN CERTAIN CASES; CONFERRING POWERS AND
4 IMPOSING DUTIES UPON THE DEPARTMENT OF REVENUE, CERTAIN
5 EMPLOYERS, FIDUCIARIES, INDIVIDUALS, PERSONS, CORPORATIONS
6 AND OTHER ENTITIES; PRESCRIBING CRIMES, OFFENSES AND
7 PENALTIES," FURTHER PROVIDING FOR SALES AND USE TAX
8 DEFINITIONS AND EXCLUSIONS, FOR PERSONAL INCOME TAX
9 DEFINITIONS AND POVERTY PROVISIONS, FOR CORPORATE NET INCOME
10 TAX DEFINITIONS AND FOR CAPITAL STOCK FRANCHISE TAX
11 IMPOSITION AND SMALL SHOWS; PROVIDING CREDITS AGAINST BANK
12 SHARES TAX AND MUTUAL THRIFT INSTITUTIONS TAX; FURTHER
13 PROVIDING FOR LIMITATION OF ECONOMIC REVITALIZATION TAX
14 CREDITS; PROVIDING FOR EMERGENCY TECHNOLOGY AND BIOTECHNOLOGY
15 TAX BENEFIT TRANSFERS, FOR FAMILY CAREGIVER TAX CREDITS AND
16 FOR CHILD-CARE TAX CREDITS; FURTHER PROVIDING FOR INHERITANCE
17 TAX IMPOSITION, EXCLUSIONS AND ESTATE TAX PROVISIONS;
18 PROVIDING FOR HOMEOWNERS TAX REBATES; MAKING AN
19 APPROPRIATION; AND MAKING A REPEAL.

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

22 ~~Section 1. Short title.~~

23 ~~This act shall be known and may be cited as the Homeowners'~~
24 ~~Century Tax Rebate Act.~~

25 ~~Section 2. Definitions.~~

26 ~~The following words and phrases when used in this act shall~~
27 ~~have the meanings given to them in this section unless the~~
28 ~~context clearly indicates otherwise:~~

29 ~~"Assessor." The chief assessor of a county, the equivalent~~
30 ~~position in a home rule county or the equivalent position in a~~

1 ~~city of the third class that performs its own assessments of~~
2 ~~real property.~~

3 ~~"Department." The Department of Revenue of the Commonwealth~~
4 ~~or its designee.~~

5 ~~"Homeowner." Any owner of a homestead who is:~~

6 ~~(1) an individual who is a natural person domiciled in~~
7 ~~this Commonwealth;~~

8 ~~(2) a grantor who has placed real property in a~~
9 ~~revocable trust, provided that the grantor is a natural~~
10 ~~person domiciled in this Commonwealth; or~~

11 ~~(3) a partner of a family farm partnership or a~~
12 ~~shareholder of a family farm corporation as the terms are~~
13 ~~defined in section 1101 C of the act of March 4, 1971 (P.L.6,~~
14 ~~No.2), known as the Tax Reform Code of 1971, provided that~~
15 ~~the partner or shareholder is a natural person domiciled in~~
16 ~~this Commonwealth.~~

17 ~~"Homestead." The owner occupied, primary residence and the~~
18 ~~parcel of land within this Commonwealth on which the residence~~
19 ~~is located and other improvements located on the parcel. If a~~
20 ~~portion of the structure is used for a nonresidential purpose,~~
21 ~~the homestead is equal to that portion of the property used as~~
22 ~~the primary residence of the owner occupant. This definition of~~
23 ~~"homestead" shall have no effect, evidentiary or otherwise,~~
24 ~~concerning the issue of whether the property constitutes a~~
25 ~~homestead or homestead property under any other act.~~

26 ~~"Real property tax." The total real property tax imposed by~~
27 ~~a school district on a homestead for the tax year. The term does~~
28 ~~not include payments made in lieu of taxes or any penalties or~~
29 ~~interest paid in connection with the tax.~~

30 ~~"Rebate." An amount equal to 100% of the real property tax~~

1 ~~paid on the assessed value of a homestead to a school district~~
2 ~~for the tax year, except that no rebate paid pursuant to this~~
3 ~~act shall exceed \$100.~~

4 ~~"Residence."— A structure used as a place of habitation by~~
5 ~~the owner of the structure.~~

6 ~~"School district."— A school district of the first class,~~
7 ~~first class A, second class, third class or fourth class,~~
8 ~~including any independent school district.~~

9 ~~"Tax year."— The school district's fiscal year 1999-2000~~
10 ~~during which real property tax is due and payable.~~

11 ~~Section 3.— Rebate qualifications.~~

12 ~~(a) General rule.— Subject to section 4, a rebate shall be~~
13 ~~issued on account of school real property taxes for a homestead~~
14 ~~if all of the following apply:~~

15 ~~(1) The homeowner occupied the homestead during the tax~~
16 ~~year.~~

17 ~~(2) The homeowner has paid real property tax owed on the~~
18 ~~homestead to the school district for the tax year.~~

19 ~~(3) The homeowner is the owner of record as of July 1,~~
20 ~~1999.~~

21 ~~(4) The homeowner applies in a form and time prescribed~~
22 ~~by the department.~~

23 ~~No homeowner shall be eligible to receive more than one rebate.~~

24 ~~(b) Multiple owners.— If title to a homestead is held by~~
25 ~~more than one individual, a rebate shall be issued in the names~~
26 ~~appearing on the school property tax record.~~

27 ~~Section 4.— Rebate administration.~~

28 ~~(a) Implementation.— The department shall establish any~~
29 ~~administrative and application procedures and deadlines~~
30 ~~necessary to implement and administer this act. To facilitate~~

1 ~~the timely implementation of this act, the provisions of Article~~
2 ~~III Pt. X of the act of March 4, 1971 (P.L.6, No.2), known as~~
3 ~~the Tax Reform Code of 1971, and Article VII of the act of April~~
4 ~~9, 1929 (P.L.343, No.176), known as The Fiscal Code, shall not~~
5 ~~apply to this act. The department may enter into any contracts~~
6 ~~which are necessary to administer this act.~~

7 ~~(b) Submission of certified lists. Within 30 days of the~~
8 ~~effective date of this act, every assessor shall submit to the~~
9 ~~department a certified list, categorized by school district, of~~
10 ~~all residential and farm real property and owners of record as~~
11 ~~of July 1, 1999, within its jurisdiction. The certified list~~
12 ~~shall include only those homeowners of record who have fully~~
13 ~~paid their 1999-2000 school real property taxes owed on their~~
14 ~~respective homesteads.~~

15 ~~(c) Departmental review. Only certified lists submitted by~~
16 ~~or within 30 days of the effective date of this act shall be~~
17 ~~reviewed by the department. The department shall make the~~
18 ~~initial determination of homeowner rebate eligibility from~~
19 ~~information submitted by the homeowner. The department shall~~
20 ~~thereafter forward the list of eligible homeowners to the~~
21 ~~respective assessor.~~

22 ~~(d) Verification of lists. Within 30 days after receipt of~~
23 ~~the list of eligible homeowners, the assessor shall verify the~~
24 ~~list and report to the department any corrections to the list.~~

25 ~~(e) Issuance of rebates. The department shall finalize the~~
26 ~~list and authorize rebates which shall be issued and mailed to~~
27 ~~all homeowners on the final verified list by October 20, 2000.~~
28 ~~If the assessor fails to verify the list or notify the~~
29 ~~department of any corrections within the time limitation set~~
30 ~~forth under subsection (d), the department shall authorize~~

1 ~~rebates to all homeowners on the list developed by the~~
2 ~~department pursuant to subsection (c).~~

3 ~~Section 5. Petitions for review.~~

4 ~~A homeowner whose rebate is either denied, corrected or~~
5 ~~otherwise adversely affected by either the department or the~~
6 ~~assessor may petition for administrative review in the manner~~
7 ~~prescribed by the department. An individual aggrieved by the~~
8 ~~department's action in connection with the administrative review~~
9 ~~may petition for review in the manner specified in sections 11.1~~
10 ~~and 11.2 of the act of March 11, 1971 (P.L.104, No.3), known as~~
11 ~~the Senior Citizens Rebate and Assistance Act.~~

12 ~~Section 6. Penalties.~~

13 ~~(a) General rule. Any homeowner who receives a rebate~~
14 ~~through false or misleading information or who otherwise~~
15 ~~improperly receives a rebate may be required to do the~~
16 ~~following:~~

17 ~~(1) refund to the department the amount of rebate~~
18 ~~received;~~

19 ~~(2) pay a civil penalty of \$50 to the department; or~~

20 ~~(3) both paragraphs (1) and (2).~~

21 ~~(b) Tax offset. The department may offset any rebate due to~~
22 ~~a homeowner against collectible liabilities owed to the~~
23 ~~Commonwealth by the homeowner for taxes imposed under Article~~
24 ~~III of the act of March 4, 1971 (P.L.6, No.2), known as the Tax~~
25 ~~Reform Code of 1971.~~

26 ~~Section 7. Erroneous rebates.~~

27 ~~(a) General rule. If the department determines or finds a~~
28 ~~rebate to have been incorrectly or erroneously paid, it shall~~
29 ~~redetermine the correct amount of the rebate, if any, and notify~~
30 ~~the homeowner of the reason for the correction and the amount of~~

1 ~~the rebate.~~

2 ~~(b) Recovery. If a rebate has been issued in error and the~~
3 ~~homeowner fails to refund the rebate upon the department's~~
4 ~~request, the rebate shall be recoverable by the department in~~
5 ~~the same manner as assessments as provided for in the act of~~
6 ~~March 11, 1971 (P.L.104, No.3), known as the Senior Citizens~~
7 ~~Rebate and Assistance Act.~~

8 ~~Section 8. Construction.~~

9 ~~Notwithstanding any other provision of law to the contrary,~~
10 ~~any property tax rebate received under this act shall not be~~
11 ~~considered "income" for purposes of determining eligibility for~~
12 ~~any State government program, including, but not limited to,~~
13 ~~those programs authorized by the act of March 11, 1971 (P.L.104,~~
14 ~~No.3), known as the Senior Citizens Rebate and Assistance Act,~~
15 ~~or Chapter 5 of the act of August 26, 1971 (P.L.351, No.91),~~
16 ~~known as the State Lottery Law.~~

17 ~~Section 9. Effective date.~~

18 ~~This act shall take effect immediately.~~

19 SECTION 1. SECTION 201(K), (O) AND (JJ) OF THE ACT OF MARCH <—
20 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971,
21 AMENDED OR ADDED AUGUST 4, 1991 (P.L.97, NO.22), MAY 7, 1997
22 (P.L.85, NO.7) AND APRIL 23, 1998 (P.L.239, NO.45), ARE AMENDED
23 TO READ:

24 SECTION 201. DEFINITIONS.--THE FOLLOWING WORDS, TERMS AND
25 PHRASES WHEN USED IN THIS ARTICLE II SHALL HAVE THE MEANING
26 ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT
27 CLEARLY INDICATES A DIFFERENT MEANING:

28 * * *

29 (K) "SALE AT RETAIL."

30 (1) ANY TRANSFER, FOR A CONSIDERATION, OF THE OWNERSHIP,

1 CUSTODY OR POSSESSION OF TANGIBLE PERSONAL PROPERTY, INCLUDING
2 THE GRANT OF A LICENSE TO USE OR CONSUME WHETHER SUCH TRANSFER
3 BE ABSOLUTE OR CONDITIONAL AND BY WHATSOEVER MEANS THE SAME
4 SHALL HAVE BEEN EFFECTED.

5 (2) THE RENDITION OF THE SERVICE OF PRINTING OR IMPRINTING
6 OF TANGIBLE PERSONAL PROPERTY FOR A CONSIDERATION FOR PERSONS
7 WHO FURNISH, EITHER DIRECTLY OR INDIRECTLY THE MATERIALS USED IN
8 THE PRINTING OR IMPRINTING.

9 (3) THE RENDITION FOR A CONSIDERATION OF THE SERVICE OF--

10 (I) WASHING, CLEANING, WAXING, POLISHING OR LUBRICATING OF
11 MOTOR VEHICLES OF ANOTHER, WHETHER OR NOT ANY TANGIBLE PERSONAL
12 PROPERTY IS TRANSFERRED IN CONJUNCTION THEREWITH; AND

13 (II) INSPECTING MOTOR VEHICLES PURSUANT TO THE MANDATORY
14 REQUIREMENTS OF "THE VEHICLE CODE."

15 (4) THE RENDITION FOR A CONSIDERATION OF THE SERVICE OF
16 REPAIRING, ALTERING, MENDING, PRESSING, FITTING, DYEING,
17 LAUNDERING, DRYCLEANING OR CLEANING TANGIBLE PERSONAL PROPERTY
18 OTHER THAN WEARING APPAREL OR SHOES, OR APPLYING OR INSTALLING
19 TANGIBLE PERSONAL PROPERTY AS A REPAIR OR REPLACEMENT PART OF
20 OTHER TANGIBLE PERSONAL PROPERTY EXCEPT WEARING APPAREL OR SHOES
21 FOR A CONSIDERATION, WHETHER OR NOT THE SERVICES ARE PERFORMED
22 DIRECTLY OR BY ANY MEANS OTHER THAN BY COIN-OPERATED SELF-
23 SERVICE LAUNDRY EQUIPMENT FOR WEARING APPAREL OR HOUSEHOLD GOODS
24 AND WHETHER OR NOT ANY TANGIBLE PERSONAL PROPERTY IS TRANSFERRED
25 IN CONJUNCTION THEREWITH, EXCEPT SUCH SERVICES AS ARE RENDERED
26 IN THE CONSTRUCTION, RECONSTRUCTION, REMODELING, REPAIR OR
27 MAINTENANCE OF REAL ESTATE: PROVIDED, HOWEVER, THAT THIS
28 SUBCLAUSE SHALL NOT BE DEEMED TO IMPOSE TAX UPON SUCH SERVICES
29 IN THE PREPARATION FOR SALE OF NEW ITEMS WHICH ARE EXCLUDED FROM
30 THE TAX UNDER CLAUSE (26) OF SECTION 204, OR UPON DIAPER

1 SERVICE.

2 (8) ANY RETENTION OF POSSESSION, CUSTODY OR A LICENSE TO USE
3 OR CONSUME TANGIBLE PERSONAL PROPERTY OR ANY FURTHER OBTAINING
4 OF SERVICES DESCRIBED IN SUBCLAUSES (2), (3) AND (4) OF THIS
5 CLAUSE PURSUANT TO A RENTAL OR SERVICE CONTRACT OR OTHER
6 ARRANGEMENT (OTHER THAN AS SECURITY).

7 THE TERM "SALE AT RETAIL" SHALL NOT INCLUDE (I) ANY SUCH
8 TRANSFER OF TANGIBLE PERSONAL PROPERTY OR RENDITION OF SERVICES
9 FOR THE PURPOSE OF RESALE, OR (II) SUCH RENDITION OF SERVICES OR
10 THE TRANSFER OF TANGIBLE PERSONAL PROPERTY INCLUDING, BUT NOT
11 LIMITED TO, MACHINERY AND EQUIPMENT AND PARTS THEREFOR AND
12 SUPPLIES TO BE USED OR CONSUMED BY THE PURCHASER DIRECTLY IN THE
13 OPERATIONS OF--

14 (A) THE MANUFACTURE OF TANGIBLE PERSONAL PROPERTY.

15 (B) FARMING, DAIRYING, AGRICULTURE, HORTICULTURE OR
16 FLORICULTURE WHEN ENGAGED IN AS A BUSINESS ENTERPRISE. THE TERM
17 "FARMING" SHALL INCLUDE THE PROPAGATION AND RAISING OF RANCH
18 RAISED FUR-BEARING ANIMALS AND THE PROPAGATION OF GAME BIRDS FOR
19 COMMERCIAL PURPOSES BY HOLDERS OF PROPAGATION PERMITS ISSUED
20 UNDER 34 PA.C.S. (RELATING TO GAME) AND THE PROPAGATION AND
21 RAISING OF HORSES TO BE USED EXCLUSIVELY FOR COMMERCIAL RACING
22 ACTIVITIES.

23 (C) THE PRODUCING, DELIVERING OR RENDERING OF A PUBLIC
24 UTILITY SERVICE, OR IN CONSTRUCTING, RECONSTRUCTING, REMODELING,
25 REPAIRING OR MAINTAINING THE FACILITIES WHICH ARE DIRECTLY USED
26 IN PRODUCING, DELIVERING OR RENDERING SUCH SERVICE.

27 (D) PROCESSING AS DEFINED IN CLAUSE (D) OF THIS SECTION.

28 THE EXCLUSIONS PROVIDED IN PARAGRAPHS (A), (B), (C) AND (D)
29 SHALL NOT APPLY TO ANY VEHICLE REQUIRED TO BE REGISTERED UNDER
30 THE VEHICLE CODE, EXCEPT THOSE VEHICLES USED DIRECTLY BY A

1 PUBLIC UTILITY ENGAGED IN BUSINESS AS A COMMON CARRIER; TO
2 MAINTENANCE FACILITIES; OR TO MATERIALS, SUPPLIES OR EQUIPMENT
3 TO BE USED OR CONSUMED IN THE CONSTRUCTION, RECONSTRUCTION,
4 REMODELING, REPAIR OR MAINTENANCE OF REAL ESTATE OTHER THAN
5 DIRECTLY USED MACHINERY, EQUIPMENT, PARTS OR FOUNDATIONS
6 THEREFOR THAT MAY BE AFFIXED TO SUCH REAL ESTATE.

7 THE EXCLUSIONS PROVIDED IN PARAGRAPHS (A), (B), (C) AND (D)
8 SHALL NOT APPLY TO TANGIBLE PERSONAL PROPERTY OR SERVICES TO BE
9 USED OR CONSUMED IN MANAGERIAL SALES OR OTHER NONOPERATIONAL
10 ACTIVITIES, NOR TO THE PURCHASE OR USE OF TANGIBLE PERSONAL
11 PROPERTY OR SERVICES BY ANY PERSON OTHER THAN THE PERSON
12 DIRECTLY USING THE SAME IN THE OPERATIONS DESCRIBED IN
13 PARAGRAPHS (A), (B), (C) AND (D) HEREIN.

14 THE EXCLUSION PROVIDED IN PARAGRAPH (C) SHALL NOT APPLY TO
15 (I) CONSTRUCTION MATERIALS, SUPPLIES OR EQUIPMENT USED TO
16 CONSTRUCT, RECONSTRUCT, REMODEL, REPAIR OR MAINTAIN FACILITIES
17 NOT USED DIRECTLY BY THE PURCHASER IN THE PRODUCTION, DELIVERING
18 OR RENDITION OF PUBLIC UTILITY SERVICE, (II) CONSTRUCTION
19 MATERIALS, SUPPLIES OR EQUIPMENT USED TO CONSTRUCT, RECONSTRUCT,
20 REMODEL, REPAIR OR MAINTAIN A BUILDING, ROAD OR SIMILAR
21 STRUCTURE, OR (III) TOOLS AND EQUIPMENT USED BUT NOT INSTALLED
22 IN THE MAINTENANCE OF FACILITIES USED DIRECTLY IN THE
23 PRODUCTION, DELIVERING OR RENDITION OF A PUBLIC UTILITY SERVICE.

24 THE EXCLUSIONS PROVIDED IN PARAGRAPHS (A), (B), (C) AND (D)
25 SHALL NOT APPLY TO THE SERVICES ENUMERATED IN CLAUSES (K)(11)
26 THROUGH (18) AND (W) THROUGH (KK), EXCEPT THAT THE EXCLUSION
27 PROVIDED IN THIS SUBCLAUSE FOR FARMING, DAIRYING AND AGRICULTURE
28 SHALL APPLY TO THE SERVICE ENUMERATED IN CLAUSE (Z).

29 (9) WHERE TANGIBLE PERSONAL PROPERTY OR SERVICES ARE
30 UTILIZED FOR PURPOSES CONSTITUTING A "SALE AT RETAIL" AND FOR

1 PURPOSES EXCLUDED FROM THE DEFINITION OF "SALE AT RETAIL," IT
2 SHALL BE PRESUMED THAT SUCH TANGIBLE PERSONAL PROPERTY OR
3 SERVICES ARE UTILIZED FOR PURPOSES CONSTITUTING A "SALE AT
4 RETAIL" AND SUBJECT TO TAX UNLESS THE USER THEREOF PROVES TO THE
5 DEPARTMENT THAT THE PREDOMINANT PURPOSES FOR WHICH SUCH TANGIBLE
6 PERSONAL PROPERTY OR SERVICES ARE UTILIZED DO NOT CONSTITUTE A
7 "SALE AT RETAIL."

8 (10) THE TERM "SALE AT RETAIL" WITH RESPECT TO "LIQUOR" AND
9 "MALT OR BREWED BEVERAGES" SHALL INCLUDE THE SALE OF "LIQUOR" BY
10 ANY "PENNSYLVANIA LIQUOR STORE" TO ANY PERSON FOR ANY PURPOSE,
11 AND THE SALE OF "MALT OR BREWED BEVERAGES" BY A "MANUFACTURER OF
12 MALT OR BREWED BEVERAGES," "DISTRIBUTOR" OR "IMPORTING
13 DISTRIBUTOR" TO ANY PERSON FOR ANY PURPOSE, EXCEPT SALES BY A
14 "MANUFACTURER OF MALT OR BREWED BEVERAGES" TO A "DISTRIBUTOR" OR
15 "IMPORTING DISTRIBUTOR" OR SALES BY AN "IMPORTING DISTRIBUTOR"
16 TO A "DISTRIBUTOR" WITHIN THE MEANING OF THE "LIQUOR CODE." THE
17 TERM "SALE AT RETAIL" SHALL NOT INCLUDE ANY SALE OF "MALT OR
18 BREWED BEVERAGES" BY A "RETAIL DISPENSER" OR ANY SALE OF
19 "LIQUOR" OR "MALT OR BREWED BEVERAGES" BY A PERSON HOLDING A
20 "RETAIL LIQUOR LICENSE" WITHIN THE MEANING OF AND PURSUANT TO
21 THE PROVISIONS OF THE "LIQUOR CODE," BUT SHALL INCLUDE ANY SALE
22 OF "LIQUOR" OR "MALT OR BREWED BEVERAGES" OTHER THAN PURSUANT TO
23 THE PROVISIONS OF THE "LIQUOR CODE."

24 (11) THE RENDITION FOR A CONSIDERATION OF LOBBYING SERVICES.

25 (12) THE RENDITION FOR A CONSIDERATION OF ADJUSTMENT
26 SERVICES, COLLECTION SERVICES OR CREDIT REPORTING SERVICES.

27 (13) THE RENDITION FOR A CONSIDERATION OF SECRETARIAL OR
28 EDITING SERVICES.

29 (14) THE RENDITION FOR A CONSIDERATION OF DISINFECTING OR
30 PEST CONTROL SERVICES, BUILDING MAINTENANCE OR CLEANING

1 SERVICES.

2 (15) THE RENDITION FOR A CONSIDERATION OF EMPLOYMENT AGENCY
3 SERVICES OR HELP SUPPLY SERVICES.

4 [(17) THE RENDITION FOR A CONSIDERATION OF LAWN CARE
5 SERVICE.]

6 (18) THE RENDITION FOR A CONSIDERATION OF SELF-STORAGE
7 SERVICE.

8 * * *

9 (0) "USE."

10 (1) THE EXERCISE OF ANY RIGHT OR POWER INCIDENTAL TO THE
11 OWNERSHIP, CUSTODY OR POSSESSION OF TANGIBLE PERSONAL PROPERTY
12 AND SHALL INCLUDE, BUT NOT BE LIMITED TO TRANSPORTATION, STORAGE
13 OR CONSUMPTION.

14 (2) THE OBTAINING BY A PURCHASER OF THE SERVICE OF PRINTING
15 OR IMPRINTING OF TANGIBLE PERSONAL PROPERTY WHEN SUCH PURCHASER
16 FURNISHES, EITHER DIRECTLY OR INDIRECTLY, THE ARTICLES USED IN
17 THE PRINTING OR IMPRINTING.

18 (3) THE OBTAINING BY A PURCHASER OF THE SERVICES OF (I)
19 WASHING, CLEANING, WAXING, POLISHING OR LUBRICATING OF MOTOR
20 VEHICLES WHETHER OR NOT ANY TANGIBLE PERSONAL PROPERTY IS
21 TRANSFERRED TO THE PURCHASER IN CONJUNCTION WITH SUCH SERVICES,
22 AND (II) INSPECTING MOTOR VEHICLES PURSUANT TO THE MANDATORY
23 REQUIREMENTS OF "THE VEHICLE CODE."

24 (4) THE OBTAINING BY A PURCHASER OF THE SERVICE OF
25 REPAIRING, ALTERING, MENDING, PRESSING, FITTING, DYEING,
26 LAUNDERING, DRYCLEANING OR CLEANING TANGIBLE PERSONAL PROPERTY
27 OTHER THAN WEARING APPAREL OR SHOES OR APPLYING OR INSTALLING
28 TANGIBLE PERSONAL PROPERTY AS A REPAIR OR REPLACEMENT PART OF
29 OTHER TANGIBLE PERSONAL PROPERTY OTHER THAN WEARING APPAREL OR
30 SHOES, WHETHER OR NOT THE SERVICES ARE PERFORMED DIRECTLY OR BY

1 ANY MEANS OTHER THAN BY MEANS OF COIN-OPERATED SELF-SERVICE
2 LAUNDRY EQUIPMENT FOR WEARING APPAREL OR HOUSEHOLD GOODS, AND
3 WHETHER OR NOT ANY TANGIBLE PERSONAL PROPERTY IS TRANSFERRED TO
4 THE PURCHASER IN CONJUNCTION THEREWITH, EXCEPT SUCH SERVICES AS
5 ARE OBTAINED IN THE CONSTRUCTION, RECONSTRUCTION, REMODELING,
6 REPAIR OR MAINTENANCE OF REAL ESTATE: PROVIDED, HOWEVER, THAT
7 THIS SUBCLAUSE SHALL NOT BE DEEMED TO IMPOSE TAX UPON SUCH
8 SERVICES IN THE PREPARATION FOR SALE OF NEW ITEMS WHICH ARE
9 EXCLUDED FROM THE TAX UNDER CLAUSE (26) OF SECTION 204, OR UPON
10 DIAPER SERVICE: AND PROVIDED FURTHER, THAT THE TERM "USE" SHALL
11 NOT INCLUDE--

12 (A) ANY TANGIBLE PERSONAL PROPERTY ACQUIRED AND KEPT,
13 RETAINED OR OVER WHICH POWER IS EXERCISED WITHIN THIS
14 COMMONWEALTH ON WHICH THE TAXING OF THE STORAGE, USE OR OTHER
15 CONSUMPTION THEREOF IS EXPRESSLY PROHIBITED BY THE CONSTITUTION
16 OF THE UNITED STATES OR WHICH IS EXCLUDED FROM TAX UNDER OTHER
17 PROVISIONS OF THIS ARTICLE.

18 (B) THE USE OR CONSUMPTION OF TANGIBLE PERSONAL PROPERTY,
19 INCLUDING BUT NOT LIMITED TO MACHINERY AND EQUIPMENT AND PARTS
20 THEREFOR, AND SUPPLIES OR THE OBTAINING OF THE SERVICES
21 DESCRIBED IN SUBCLAUSES (2), (3) AND (4) OF THIS CLAUSE DIRECTLY
22 IN THE OPERATIONS OF--

23 (I) THE MANUFACTURE OF TANGIBLE PERSONAL PROPERTY.

24 (II) FARMING, DAIRYING, AGRICULTURE, HORTICULTURE OR
25 FLORICULTURE WHEN ENGAGED IN AS A BUSINESS ENTERPRISE. THE TERM
26 "FARMING" SHALL INCLUDE THE PROPAGATION AND RAISING OF RANCH-
27 RAISED FURBEARING ANIMALS AND THE PROPAGATION OF GAME BIRDS FOR
28 COMMERCIAL PURPOSES BY HOLDERS OF PROPAGATION PERMITS ISSUED
29 UNDER 34 PA.C.S. (RELATING TO GAME) AND THE PROPAGATION AND
30 RAISING OF HORSES TO BE USED EXCLUSIVELY FOR COMMERCIAL RACING

1 ACTIVITIES.

2 (III) THE PRODUCING, DELIVERING OR RENDERING OF A PUBLIC
3 UTILITY SERVICE, OR IN CONSTRUCTING, RECONSTRUCTING, REMODELING,
4 REPAIRING OR MAINTAINING THE FACILITIES WHICH ARE DIRECTLY USED
5 IN PRODUCING, DELIVERING OR RENDERING SUCH SERVICE.

6 (IV) PROCESSING AS DEFINED IN SUBCLAUSE (D) OF THIS SECTION.

7 THE EXCLUSIONS PROVIDED IN SUBPARAGRAPHS (I), (II), (III) AND
8 (IV) SHALL NOT APPLY TO ANY VEHICLE REQUIRED TO BE REGISTERED
9 UNDER THE VEHICLE CODE EXCEPT THOSE VEHICLES DIRECTLY USED BY A
10 PUBLIC UTILITY ENGAGED IN THE BUSINESS AS A COMMON CARRIER; TO
11 MAINTENANCE FACILITIES; OR TO MATERIALS, SUPPLIES OR EQUIPMENT
12 TO BE USED OR CONSUMED IN THE CONSTRUCTION, RECONSTRUCTION,
13 REMODELING, REPAIR OR MAINTENANCE OF REAL ESTATE OTHER THAN
14 DIRECTLY USED MACHINERY, EQUIPMENT, PARTS OR FOUNDATIONS
15 THEREFOR THAT MAY BE AFFIXED TO SUCH REAL ESTATE. THE EXCLUSIONS
16 PROVIDED IN SUBPARAGRAPHS (I), (II), (III) AND (IV) SHALL NOT
17 APPLY TO TANGIBLE PERSONAL PROPERTY OR SERVICES TO BE USED OR
18 CONSUMED IN MANAGERIAL SALES OR OTHER NONOPERATIONAL ACTIVITIES,
19 NOR TO THE PURCHASE OR USE OF TANGIBLE PERSONAL PROPERTY OR
20 SERVICES BY ANY PERSON OTHER THAN THE PERSON DIRECTLY USING THE
21 SAME IN THE OPERATIONS DESCRIBED IN SUBPARAGRAPHS (I), (II),
22 (III) AND (IV).

23 THE EXCLUSION PROVIDED IN SUBPARAGRAPH (III) SHALL NOT APPLY
24 TO (A) CONSTRUCTION MATERIALS, SUPPLIES OR EQUIPMENT USED TO
25 CONSTRUCT, RECONSTRUCT, REMODEL, REPAIR OR MAINTAIN FACILITIES
26 NOT USED DIRECTLY BY THE PURCHASER IN THE PRODUCTION, DELIVERING
27 OR RENDITION OF PUBLIC UTILITY SERVICE OR (B) TOOLS AND
28 EQUIPMENT USED BUT NOT INSTALLED IN THE MAINTENANCE OF
29 FACILITIES USED DIRECTLY IN THE PRODUCTION, DELIVERING OR
30 RENDITION OF A PUBLIC UTILITY SERVICE.

1 THE EXCLUSION PROVIDED IN SUBPARAGRAPHS (I), (II), (III) AND
2 (IV) SHALL NOT APPLY TO THE SERVICES ENUMERATED IN CLAUSES
3 (O)(9) THROUGH (16) AND (W) THROUGH (KK), EXCEPT THAT THE
4 EXCLUSION PROVIDED IN SUBPARAGRAPH (II) FOR FARMING, DAIRYING
5 AND AGRICULTURE SHALL APPLY TO THE SERVICE ENUMERATED IN CLAUSE
6 (Z).

7 (5) WHERE TANGIBLE PERSONAL PROPERTY OR SERVICES ARE
8 UTILIZED FOR PURPOSES CONSTITUTING A "USE," AS HEREIN DEFINED,
9 AND FOR PURPOSES EXCLUDED FROM THE DEFINITION OF "USE," IT SHALL
10 BE PRESUMED THAT SUCH PROPERTY OR SERVICES ARE UTILIZED FOR
11 PURPOSES CONSTITUTING A "SALE AT RETAIL" AND SUBJECT TO TAX
12 UNLESS THE USER THEREOF PROVES TO THE DEPARTMENT THAT THE
13 PREDOMINANT PURPOSES FOR WHICH SUCH PROPERTY OR SERVICES ARE
14 UTILIZED DO NOT CONSTITUTE A "SALE AT RETAIL."

15 (6) THE TERM "USE" WITH RESPECT TO "LIQUOR" AND "MALT OR
16 BREWED BEVERAGES" SHALL INCLUDE THE PURCHASE OF "LIQUOR" FROM
17 ANY "PENNSYLVANIA LIQUOR STORE" BY ANY PERSON FOR ANY PURPOSE
18 AND THE PURCHASE OF "MALT OR BREWED BEVERAGES" FROM A
19 "MANUFACTURER OF MALT OR BREWED BEVERAGES," "DISTRIBUTOR" OR
20 "IMPORTING DISTRIBUTOR" BY ANY PERSON FOR ANY PURPOSE, EXCEPT
21 PURCHASES FROM A "MANUFACTURER OF MALT OR BREWED BEVERAGES" BY A
22 "DISTRIBUTOR" OR "IMPORTING DISTRIBUTOR," OR PURCHASES FROM AN
23 "IMPORTING DISTRIBUTOR" BY A "DISTRIBUTOR" WITHIN THE MEANING OF
24 THE "LIQUOR CODE." THE TERM "USE" SHALL NOT INCLUDE ANY PURCHASE
25 OF "MALT OR BREWED BEVERAGES" FROM A "RETAIL DISPENSER" OR ANY
26 PURCHASE OF "LIQUOR" OR "MALT OR BREWED BEVERAGES" FROM A PERSON
27 HOLDING A "RETAIL LIQUOR LICENSE" WITHIN THE MEANING OF AND
28 PURSUANT TO THE PROVISIONS OF THE "LIQUOR CODE," BUT SHALL
29 INCLUDE THE EXERCISE OF ANY RIGHT OR POWER INCIDENTAL TO THE
30 OWNERSHIP, CUSTODY OR POSSESSION OF "LIQUOR" OR "MALT OR BREWED

1 BEVERAGES" OBTAINED BY THE PERSON EXERCISING SUCH RIGHT OR POWER
2 IN ANY MANNER OTHER THAN PURSUANT TO THE PROVISIONS OF THE
3 "LIQUOR CODE."

4 (7) THE USE OF TANGIBLE PERSONAL PROPERTY PURCHASED AT
5 RETAIL UPON WHICH THE SERVICES DESCRIBED IN SUBCLAUSES (2), (3)
6 AND (4) OF THIS CLAUSE HAVE BEEN PERFORMED SHALL BE DEEMED TO BE
7 A USE OF SAID SERVICES BY THE PERSON USING SAID PROPERTY.

8 (8) THE TERM "USE" SHALL NOT INCLUDE THE PROVIDING OF A
9 MOTOR VEHICLE TO A NONPROFIT PRIVATE OR PUBLIC SCHOOL TO BE USED
10 BY SUCH A SCHOOL FOR THE SOLE PURPOSE OF DRIVER EDUCATION.

11 (9) THE OBTAINING BY THE PURCHASER OF LOBBYING SERVICES.

12 (10) THE OBTAINING BY THE PURCHASER OF ADJUSTMENT SERVICES,
13 COLLECTION SERVICES OR CREDIT REPORTING SERVICES.

14 (11) THE OBTAINING BY THE PURCHASER OF SECRETARIAL OR
15 EDITING SERVICES.

16 (12) THE OBTAINING BY THE PURCHASER OF DISINFECTING OR PEST
17 CONTROL SERVICES, BUILDING MAINTENANCE OR CLEANING SERVICES.

18 (13) THE OBTAINING BY THE PURCHASER OF EMPLOYMENT AGENCY
19 SERVICES OR HELP SUPPLY SERVICES.

20 [(15) THE OBTAINING BY THE PURCHASER OF LAWN CARE SERVICE.]

21 (16) THE OBTAINING BY THE PURCHASER OF SELF-STORAGE SERVICE.

22 (17) THE OBTAINING BY A CONSTRUCTION CONTRACTOR OF TANGIBLE
23 PERSONAL PROPERTY OR SERVICES PROVIDED TO TANGIBLE PERSONAL
24 PROPERTY WHICH WILL BE USED PURSUANT TO A CONSTRUCTION CONTRACT
25 WHETHER OR NOT THE TANGIBLE PERSONAL PROPERTY OR SERVICES ARE
26 TRANSFERRED.

27 * * *

28 [(JJ) "LAWN CARE SERVICE." PROVIDING SERVICES FOR LAWN
29 UPKEEP, INCLUDING, BUT NOT LIMITED TO, FERTILIZING, LAWN MOWING,
30 SHRUBBERY TRIMMING OR OTHER LAWN TREATMENT SERVICES.]

1 * * *

2 SECTION 2. SECTION 204(50) OF THE ACT, ADDED JUNE 16, 1994
3 (P.L.279, NO.48), IS AMENDED AND THE SECTION IS AMENDED BY
4 ADDING CLAUSES TO READ:

5 SECTION 204. EXCLUSIONS FROM TAX.--THE TAX IMPOSED BY
6 SECTION 202 SHALL NOT BE IMPOSED UPON

7 * * *

8 (50) THE SALE AT RETAIL OR USE OF [SUBSCRIPTIONS FOR]
9 MAGAZINES. THE TERM "MAGAZINE" REFERS TO A PERIODICAL PUBLISHED
10 AT REGULAR INTERVALS NOT EXCEEDING THREE MONTHS AND WHICH ARE
11 CIRCULATED AMONG THE GENERAL PUBLIC, CONTAINING MATTERS OF
12 GENERAL INTEREST AND REPORTS OF CURRENT EVENTS PUBLISHED FOR THE
13 PURPOSE OF DISSEMINATING INFORMATION OF A PUBLIC CHARACTER OR
14 DEVOTED TO LITERATURE, THE SCIENCES, ART OR SOME SPECIAL
15 INDUSTRY. THIS EXCLUSION SHALL ALSO INCLUDE ANY PRINTED
16 ADVERTISING MATERIAL CIRCULATED WITH THE PERIODICAL OR
17 PUBLICATION REGARDLESS OF WHERE OR BY WHOM THE PRINTED
18 ADVERTISING MATERIAL WAS PRODUCED.

19 * * *

20 (58) THE SALE AT RETAIL OR USE OF BOOKS. THE TERM "BOOK"
21 REFERS TO ANY WRITTEN OR PRINTED WORK OF FICTION OR NONFICTION
22 WHICH HAS BEEN PUBLISHED AND CIRCULATED AMONG THE GENERAL PUBLIC
23 CONTAINING MATTERS OF GENERAL INTEREST AND PUBLISHED FOR THE
24 PURPOSE OF DISSEMINATING INFORMATION OF A PUBLIC CHARACTER OR
25 DEVOTED TO LITERATURE, THE SCIENCES, ART OR SOME SPECIAL
26 INDUSTRY. THE TERM "BOOK" SHALL INCLUDE, BUT IS NOT LIMITED TO,
27 COMIC BOOKS, GAME BOOKS, DICTIONARIES AND INSTRUCTION BOOKS.

28 (59) THE SALE AT RETAIL OR USE OF A PERSONAL COMPUTER TO AN
29 INDIVIDUAL PURCHASER DURING THE EXCLUSION PERIOD FOR NON-
30 BUSINESS USE, BUT NOT INCLUDING COMPUTER LEASING, RENTAL, REPAIR

1 OR ALTERATION. FOR PURPOSES OF THIS CLAUSE, THE PHRASE
2 "EXCLUSION PERIOD" MEANS THE PERIOD OF TIME FROM AUGUST 6, 2000,
3 TO AND INCLUDING, AUGUST 13, 2000, AND FROM FEBRUARY 18, 2001,
4 TO AND INCLUDING, FEBRUARY 25, 2001. FOR PURPOSES OF THIS
5 CLAUSE, THE PHRASE "PERSONAL COMPUTER" MEANS A LAPTOP, DESKTOP,
6 OR TOWER COMPUTER SYSTEM, INCLUDING ALL HARDWARE AND SOFTWARE
7 SOLD TOGETHER IN THE SAME TRANSACTION, WHERE THE COMPUTER SYSTEM
8 INCLUDES, AT A MINIMUM, A CENTRAL PROCESSING UNIT, RANDOM ACCESS
9 MEMORY, A STORAGE DRIVE, A DISPLAY MONITOR AND A KEYBOARD,
10 EXCEPT THAT THE TERM SHALL NOT INCLUDE MINICOMPUTERS, MAINFRAME
11 COMPUTERS, NETWORK SERVERS, LOCAL AREA NETWORK HUBS, ROUTERS AND
12 CABLING, HARDWARE WORD PROCESSORS, PERSONAL DIGITAL ASSISTANTS,
13 GRAPHICAL CALCULATORS, HAND-HELD COMPUTERS, GAME CONSOLES, WEB
14 TV CONSOLES, NETWORK OPERATING SYSTEMS, MULTIPLE-USER LICENSED
15 SOFTWARE AND HARDWARE, SEPARATE SALES AT RETAIL OR USE OF
16 INTERNAL OR EXTERNAL COMPONENTS AND SEPARATE SALES OF ADD-ON
17 COMPONENTS. FOR PURPOSES OF THIS CLAUSE, "PURCHASER" MEANS AN
18 INDIVIDUAL WHO PAYS THE PURCHASE PRICE AND TAKES DELIVERY DURING
19 THE EXCLUSION PERIOD OR WHO PLACES AN ORDER AND PAYS THE
20 PURCHASE PRICE, EVEN IF DELIVERY TAKES PLACE AFTER THE EXCLUSION
21 PERIOD. THIS CLAUSE EXPIRES ON MARCH 1, 2001.

22 SECTION 3. SECTION 301(D) OF THE ACT, AMENDED APRIL 23, 1998
23 (P.L.239, NO.45), IS AMENDED AND THE SECTION IS AMENDED BY
24 ADDING A SUBSECTION TO READ:

25 SECTION 301. DEFINITIONS.--THE FOLLOWING WORDS, TERMS AND
26 PHRASES WHEN USED IN THIS ARTICLE SHALL HAVE THE MEANING
27 ASCRIBED TO THEM IN THIS SECTION EXCEPT WHERE THE CONTEXT
28 CLEARLY INDICATES A DIFFERENT MEANING. UNLESS SPECIFICALLY
29 PROVIDED OTHERWISE, ANY REFERENCE IN THIS ARTICLE TO THE
30 INTERNAL REVENUE CODE SHALL INCLUDE THE INTERNAL REVENUE CODE OF

1 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 1 ET SEQ.), AS AMENDED TO
2 JANUARY 1, 1997:

3 * * *

4 (C.1A) "CHILD AND DEPENDENT CARE EXPENSES" MEANS THE TOTAL
5 OF THE AMOUNTS CALCULATED UNDER SUBCLAUSES (I) AND (II) AS
6 FOLLOWS:

7 (I) UNREIMBURSED EMPLOYMENT-RELATED EXPENSES THAT ARE USED
8 IN CALCULATING THE FEDERAL CHILD AND DEPENDENT CARE CREDIT UNDER
9 SECTION 21 OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-
10 514, 26 U.S.C. § 1 ET SEQ.), WITHOUT REGARD TO THE LIMITATIONS
11 IN SECTION 21(C) OF THE INTERNAL REVENUE CODE OF 1986.

12 (II) AMOUNTS DEEMED TO BE UNREIMBURSED CHILD AND DEPENDENT
13 CARE EXPENSES FOR QUALIFIED INDIVIDUALS DESCRIBED IN SECTION
14 21(B)(1) OF THE INTERNAL REVENUE CODE OF 1986: PROVIDED, THAT
15 THE AMOUNT DEEMED TO BE UNREIMBURSED CHILD AND DEPENDENT CARE
16 EXPENSES SHALL BE EQUAL TO ONE HUNDRED FIFTY DOLLARS (\$150) PER
17 MONTH FOR EACH QUALIFIED INDIVIDUAL, REDUCED BY ANY CHILD AND
18 DEPENDENT CARE EXPENSES INCLUDED IN CALCULATING THE AMOUNT UNDER
19 SUBCLAUSE (I).

20 * * *

21 (D) "COMPENSATION" MEANS AND SHALL INCLUDE SALARIES, WAGES,
22 COMMISSIONS, BONUSES AND INCENTIVE PAYMENTS WHETHER BASED ON
23 PROFITS OR OTHERWISE, FEES, TIPS AND SIMILAR REMUNERATION
24 RECEIVED FOR SERVICES RENDERED, WHETHER DIRECTLY OR THROUGH AN
25 AGENT, AND WHETHER IN CASH OR IN PROPERTY.

26 THE TERM "COMPENSATION" SHALL NOT MEAN OR INCLUDE: (I)
27 PERIODIC PAYMENTS FOR SICKNESS AND DISABILITY OTHER THAN REGULAR
28 WAGES RECEIVED DURING A PERIOD OF SICKNESS OR DISABILITY; OR
29 (II) DISABILITY, RETIREMENT OR OTHER PAYMENTS ARISING UNDER
30 WORKMEN'S COMPENSATION ACTS, OCCUPATIONAL DISEASE ACTS AND

1 SIMILAR LEGISLATION BY ANY GOVERNMENT; OR (III) PAYMENTS
2 COMMONLY RECOGNIZED AS OLD AGE OR RETIREMENT BENEFITS PAID TO
3 PERSONS RETIRED FROM SERVICE AFTER REACHING A SPECIFIC AGE OR
4 AFTER A STATED PERIOD OF EMPLOYMENT; OR (IV) PAYMENTS COMMONLY
5 KNOWN AS PUBLIC ASSISTANCE, OR UNEMPLOYMENT COMPENSATION
6 PAYMENTS BY ANY GOVERNMENTAL AGENCY; OR (V) PAYMENTS TO
7 REIMBURSE ACTUAL EXPENSES; OR (VI) PAYMENTS MADE BY EMPLOYERS OR
8 LABOR UNIONS, INCLUDING PAYMENTS MADE PURSUANT TO A CAFETERIA
9 PLAN QUALIFYING UNDER SECTION 125 OF THE INTERNAL REVENUE CODE
10 OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 125), FOR EMPLOYEE
11 BENEFIT PROGRAMS COVERING HOSPITALIZATION, SICKNESS, DISABILITY
12 OR DEATH, SUPPLEMENTAL UNEMPLOYMENT BENEFITS OR STRIKE BENEFITS:
13 PROVIDED, THAT THE PROGRAM DOES NOT DISCRIMINATE IN FAVOR OF
14 HIGHLY COMPENSATED INDIVIDUALS AS TO ELIGIBILITY TO PARTICIPATE,
15 PAYMENTS OR PROGRAM BENEFITS; OR (VII) ANY COMPENSATION RECEIVED
16 BY UNITED STATES SERVICEMEN SERVING IN A COMBAT ZONE; OR (VIII)
17 PAYMENTS RECEIVED BY A FOSTER PARENT FOR IN-HOME CARE OF FOSTER
18 CHILDREN FROM AN AGENCY OF THE COMMONWEALTH OR A POLITICAL
19 SUBDIVISION THEREOF OR AN ORGANIZATION EXEMPT FROM FEDERAL TAX
20 UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1954
21 WHICH IS LICENSED BY THE COMMONWEALTH OR A POLITICAL SUBDIVISION
22 THEREOF AS A PLACEMENT AGENCY; OR (IX) PAYMENTS MADE BY
23 EMPLOYERS OR LABOR UNIONS FOR EMPLOYEE BENEFIT PROGRAMS COVERING
24 SOCIAL SECURITY OR RETIREMENT; OR (X) PERSONAL USE OF AN
25 EMPLOYER'S OWNED OR LEASED PROPERTY OR OF EMPLOYER-PROVIDED
26 SERVICES; OR (XI) ANY FRINGE BENEFIT THAT QUALIFIES AS A
27 QUALIFIED TRANSPORTATION FRINGE UNDER SECTION 132(F) OF THE
28 INTERNAL REVENUE CODE OF 1986, AS AMENDED AT ANY TIME: PROVIDED,
29 THAT THE LIMITS ON EXCLUSION FROM COMPENSATION SHALL BE THE SAME
30 LIMITS IMPOSED FOR FEDERAL TAX PURPOSES.

1 * * *

2 SECTION 4. SECTION 304(D)(1) OF THE ACT, AMENDED MAY 12,
3 1999 (P.L.26, NO.4), IS AMENDED TO READ:

4 SECTION 304. SPECIAL TAX PROVISIONS FOR POVERTY.--* * *

5 (D) ANY CLAIM FOR SPECIAL TAX PROVISIONS HEREUNDER SHALL BE
6 DETERMINED IN ACCORDANCE WITH THE FOLLOWING:

7 (1) IF THE POVERTY INCOME OF THE CLAIMANT DURING AN ENTIRE
8 TAXABLE YEAR IS [SIX THOUSAND FIVE HUNDRED DOLLARS (\$6,500)]
9 SEVEN THOUSAND DOLLARS (\$7,000) OR LESS, OR, IN THE CASE OF A
10 MARRIED CLAIMANT, IF THE JOINT POVERTY INCOME OF THE CLAIMANT
11 AND THE CLAIMANT'S SPOUSE DURING AN ENTIRE TAXABLE YEAR IS
12 [THIRTEEN THOUSAND DOLLARS (\$13,000)] FOURTEEN THOUSAND DOLLARS
13 (14,000) OR LESS, THE CLAIMANT SHALL BE ENTITLED TO A REFUND OR
14 FORGIVENESS OF ANY MONEYS WHICH HAVE BEEN PAID OVER TO (OR WOULD
15 EXCEPT FOR THE PROVISIONS OF THIS ACT BE PAYABLE TO) THE
16 COMMONWEALTH UNDER THE PROVISIONS OF THIS ARTICLE, WITH AN
17 ADDITIONAL INCOME ALLOWANCE OF [SIX THOUSAND FIVE HUNDRED
18 DOLLARS (\$6,500) IF CLAIMED BY MARRIED CLAIMANTS OR OF SIX
19 THOUSAND FIVE HUNDRED DOLLARS (\$6,500) IF CLAIMED BY A SINGLE
20 CLAIMANT FOR THE FIRST ADDITIONAL DEPENDENT AND AN ADDITIONAL
21 INCOME ALLOWANCE OF SIX THOUSAND FIVE HUNDRED DOLLARS (\$6,500)]
22 SEVEN THOUSAND DOLLARS (\$7,000) FOR EACH ADDITIONAL DEPENDENT OF
23 THE CLAIMANT. FOR PURPOSES OF THIS SUBSECTION, A CLAIMANT SHALL
24 NOT BE CONSIDERED TO BE MARRIED IF:

25 (I) THE CLAIMANT AND THE CLAIMANT'S SPOUSE FILE SEPARATE
26 RETURNS; AND

27 (II) THE CLAIMANT AND THE CLAIMANT'S SPOUSE LIVE APART AT
28 ALL TIMES DURING THE LAST SIX MONTHS OF THE TAXABLE YEAR OR ARE
29 SEPARATED PURSUANT TO A WRITTEN SEPARATION AGREEMENT.

30 * * *

1 SECTION 5. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

2 SECTION 314.1. CHILD AND DEPENDENT CARE TAX CREDIT.--(A) A
3 TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX DUE UNDER
4 THIS ARTICLE FOR CHILD AND DEPENDENT CARE EXPENSES AS CALCULATED
5 UNDER THIS SECTION.

6 (B) THE CREDIT SHALL BE EQUAL TO THE CHILD AND DEPENDENT
7 CARE EXPENSES INCURRED BY THE TAXPAYER OR THE TAXPAYER'S SPOUSE
8 MULTIPLIED BY THE RATE OF TAX SPECIFIED IN SECTION 302.

9 (C) THE CREDIT PROVIDED BY THIS SECTION SHALL NOT EXCEED THE
10 AMOUNT OF TAX OTHERWISE DUE UNDER THIS ARTICLE.

11 SECTION 6. SECTION 401(3)2(A)(9) OF THE ACT, AMENDED MAY 12,
12 1999 (P.L.26, NO.4), IS AMENDED TO READ:

13 SECTION 401. DEFINITIONS.--THE FOLLOWING WORDS, TERMS, AND
14 PHRASES, WHEN USED IN THIS ARTICLE, SHALL HAVE THE MEANING
15 ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT
16 CLEARLY INDICATES A DIFFERENT MEANING:

17 * * *

18 (3) "TAXABLE INCOME." * * *

19 2. IN CASE THE ENTIRE BUSINESS OF ANY CORPORATION, OTHER
20 THAN A CORPORATION ENGAGED IN DOING BUSINESS AS A REGULATED
21 INVESTMENT COMPANY AS DEFINED BY THE INTERNAL REVENUE CODE OF
22 1954, AS AMENDED, IS NOT TRANSACTED WITHIN THIS COMMONWEALTH,
23 THE TAX IMPOSED BY THIS ARTICLE SHALL BE BASED UPON SUCH PORTION
24 OF THE TAXABLE INCOME OF SUCH CORPORATION FOR THE FISCAL OR
25 CALENDAR YEAR, AS DEFINED IN SUBCLAUSE 1 HEREOF, AND MAY BE
26 DETERMINED AS FOLLOWS:

27 (A) DIVISION OF INCOME.

28 * * *

29 (9) (A) EXCEPT AS PROVIDED IN SUBPARAGRAPH (B)[, ALL]:

30 (I) ALL BUSINESS INCOME SHALL BE APPORTIONED TO THIS STATE

1 BY MULTIPLYING THE INCOME BY A FRACTION, THE NUMERATOR OF WHICH
2 IS THE PROPERTY FACTOR PLUS THE PAYROLL FACTOR PLUS THREE TIMES
3 THE SALES FACTOR, AND THE DENOMINATOR OF WHICH IS FIVE.

4 (II) FOR TAX YEARS BEGINNING AFTER DECEMBER 31, 2000, ALL
5 BUSINESS INCOME SHALL BE APPORTIONED TO THIS STATE BY
6 MULTIPLYING THE INCOME BY THE SALES FACTOR.

7 (B) FOR PURPOSES OF APPORTIONMENT OF THE CAPITAL STOCK -
8 FRANCHISE TAX AS PROVIDED IN SECTION 602 OF ARTICLE VI OF THIS
9 ACT, THE APPORTIONMENT FRACTION SHALL BE THE PROPERTY FACTOR
10 PLUS THE PAYROLL FACTOR PLUS THE SALES FACTOR AS THE NUMERATOR,
11 AND THE DENOMINATOR SHALL BE THREE.

12 * * *

13 SECTION 7. SECTION 602(A), (B), (E), (F), (G), (H) AND (I)
14 OF THE ACT, AMENDED MAY 12, 1999 (P.L.26, NO.4) AND DECEMBER 15,
15 1999 (P.L.926, NO.63), ARE AMENDED TO READ:

16 SECTION 602. IMPOSITION OF TAX.--(A) THAT EVERY DOMESTIC
17 ENTITY FROM WHICH A REPORT IS REQUIRED UNDER SECTION 601 HEREOF,
18 SHALL BE SUBJECT TO, AND PAY TO THE DEPARTMENT ANNUALLY, A TAX
19 WHICH IS [THE GREATER OF (I)] THE AMOUNT COMPUTED BY MULTIPLYING
20 EACH DOLLAR OF THE CAPITAL STOCK VALUE AS DEFINED IN SECTION
21 601(A) BY THE APPROPRIATE RATE OF TAX AS SET FORTH IN SUBSECTION
22 (H); [OR (II) THE MINIMUM TAX SET FORTH IN SUBSECTION (I),]
23 EXCEPT THAT ANY DOMESTIC ENTITY OR COMPANY SUBJECT TO THE TAX
24 PRESCRIBED HEREIN MAY ELECT TO COMPUTE AND PAY ITS TAX UNDER AND
25 IN ACCORDANCE WITH THE PROVISIONS OF SUBSECTION (B) OF THIS
26 SECTION 602: PROVIDED, THAT[, EXCEPT FOR THE IMPOSITION OF THE
27 MINIMUM TAX SET FORTH IN SUBSECTION (I),] THE PROVISIONS OF THIS
28 SECTION SHALL NOT APPLY TO THE TAXATION OF THE CAPITAL STOCK OF
29 ENTITIES ORGANIZED FOR MANUFACTURING, PROCESSING, RESEARCH OR
30 DEVELOPMENT PURPOSES, WHICH IS INVESTED IN AND ACTUALLY AND

1 EXCLUSIVELY EMPLOYED IN CARRYING ON MANUFACTURING, PROCESSING,
2 RESEARCH OR DEVELOPMENT WITHIN THE STATE, EXCEPT SUCH ENTITIES
3 AS ENJOY AND EXERCISE THE RIGHT OF EMINENT DOMAIN, BUT EVERY
4 ENTITY ORGANIZED FOR THE PURPOSE OF MANUFACTURING, PROCESSING,
5 RESEARCH OR DEVELOPMENT EXCEPT SUCH ENTITIES AS ENJOY AND
6 EXERCISE THE RIGHT OF EMINENT DOMAIN SHALL PAY THE STATE TAX OF
7 [THE GREATER OF (I)] THE AMOUNT COMPUTED BY MULTIPLYING EACH
8 DOLLAR OF THE CAPITAL STOCK VALUE AS DEFINED IN SECTION 601(A)
9 BY THE APPROPRIATE RATE OF TAX AS SET FORTH IN SUBSECTION (H)[;
10 OR (II) THE MINIMUM TAX SET FORTH IN SUBSECTION (I),] UPON SUCH
11 PROPORTION OF ITS CAPITAL STOCK, IF ANY, AS MAY BE INVESTED IN
12 ANY PROPERTY OR BUSINESS NOT STRICTLY INCIDENT OR APPURTENANT TO
13 THE MANUFACTURING, PROCESSING, RESEARCH OR DEVELOPMENT BUSINESS,
14 IN ADDITION TO THE LOCAL TAXES ASSESSED UPON ITS PROPERTY IN THE
15 DISTRICT WHERE LOCATED, IT BEING THE OBJECT OF THIS PROVISION TO
16 RELIEVE FROM STATE TAXATION[, EXCEPT FOR IMPOSITION OF THE
17 MINIMUM TAX SET FORTH IN SUBSECTION (I),] ONLY SO MUCH OF THE
18 CAPITAL STOCK AS IS INVESTED PURELY IN THE MANUFACTURING,
19 PROCESSING, RESEARCH OR DEVELOPMENT PLANT AND BUSINESS: AND
20 PROVIDED FURTHER, THAT[, EXCEPT FOR THE IMPOSITION OF THE
21 MINIMUM TAX SET FORTH IN SUBSECTION (I),] THE PROVISIONS OF THIS
22 SECTION SHALL NOT APPLY TO THE TAXATION OF SO MUCH OF THE
23 CAPITAL STOCK VALUE ATTRIBUTABLE TO STUDENT LOAN ASSETS OWNED OR
24 HELD BY AN ENTITY CREATED FOR THE SECURITIZATION OF STUDENT
25 LOANS OR BY A TRUSTEE ON ITS BEHALF.

26 (B) (1) EVERY FOREIGN ENTITY FROM WHICH A REPORT IS
27 REQUIRED UNDER SECTION 601 HEREOF, SHALL BE SUBJECT TO AND PAY
28 TO THE DEPARTMENT ANNUALLY, A FRANCHISE TAX WHICH IS [THE
29 GREATER OF (I)] THE AMOUNT COMPUTED BY MULTIPLYING EACH DOLLAR
30 OF THE CAPITAL STOCK VALUE AS DEFINED IN SECTION 601(A) BY THE

1 APPROPRIATE RATE OF TAX AS SET FORTH IN SUBSECTION (H)[; OR (II)
2 THE MINIMUM TAX SET FORTH IN SUBSECTION (I),] UPON A TAXABLE
3 VALUE TO BE DETERMINED IN THE FOLLOWING MANNER. THE CAPITAL
4 STOCK VALUE SHALL BE ASCERTAINED IN THE MANNER PRESCRIBED IN
5 SECTION 601(A) OF THIS ARTICLE. THE TAXABLE VALUE SHALL THEN BE
6 DETERMINED BY EMPLOYING THE RELEVANT APPORTIONMENT FACTORS SET
7 FORTH IN ARTICLE IV: PROVIDED, THAT THE MANUFACTURING,
8 PROCESSING, RESEARCH AND DEVELOPMENT EXEMPTIONS CONTAINED UNDER
9 SECTION 602(A) SHALL ALSO APPLY TO FOREIGN CORPORATIONS. IN
10 DETERMINING THE RELEVANT APPORTIONMENT FACTORS, THE FOLLOWING
11 SHALL APPLY:

12 (I) FOR [ALL] TAXABLE YEARS [OTHER THAN SPECIFICALLY SET
13 FORTH IN SUBCLAUSE (II)] BEGINNING BEFORE JANUARY 1, 1999, THE
14 NUMERATOR OF THE PROPERTY, PAYROLL OR SALES FACTORS SHALL NOT
15 INCLUDE ANY PROPERTY, PAYROLL OR SALES ATTRIBUTABLE TO
16 MANUFACTURING, PROCESSING, RESEARCH OR DEVELOPMENT ACTIVITIES IN
17 THE COMMONWEALTH;

18 (II) FOR [THE] TAXABLE YEARS BEGINNING AFTER DECEMBER 31,
19 1998, [AND BEGINNING BEFORE JANUARY 1, 2001,] THE NUMERATOR OF
20 THE PROPERTY OR PAYROLL FACTORS SHALL NOT INCLUDE ANY PROPERTY
21 OR PAYROLL ATTRIBUTABLE TO MANUFACTURING, PROCESSING, RESEARCH
22 OR DEVELOPMENT ACTIVITIES IN THE COMMONWEALTH, AND ANY PROPERTY
23 OR PAYROLL ATTRIBUTABLE TO MANUFACTURING, PROCESSING, RESEARCH
24 OR DEVELOPMENT ACTIVITIES OUTSIDE OF THE COMMONWEALTH SHALL ALSO
25 BE EXCLUDED FROM THE NUMERATOR OF THE PROPERTY OR PAYROLL
26 FACTORS. [EXCEPT FOR THE IMPOSITION OF THE MINIMUM TAX SET FORTH
27 IN SUBSECTION (I), THE] THE PROVISIONS OF THIS SECTION SHALL NOT
28 APPLY TO THE TAXATION OF SO MUCH OF THE CAPITAL STOCK VALUE
29 ATTRIBUTABLE TO STUDENT LOAN ASSETS OWNED OR HELD BY AN ENTITY
30 CREATED FOR THE SECURITIZATION OF STUDENT LOANS OR BY A TRUSTEE

1 ON ITS BEHALF. ANY FOREIGN CORPORATION, JOINT-STOCK ASSOCIATION,
2 LIMITED PARTNERSHIP OR COMPANY SUBJECT TO THE TAX PRESCRIBED
3 HEREIN MAY ELECT TO COMPUTE AND PAY ITS TAX UNDER SECTION
4 602(A): PROVIDED, THAT ANY FOREIGN CORPORATION, JOINT-STOCK
5 ASSOCIATION, LIMITED PARTNERSHIP OR COMPANY ELECTING TO COMPUTE
6 AND PAY ITS TAX UNDER SECTION 602(A) SHALL BE TREATED AS IF IT
7 WERE A DOMESTIC CORPORATION FOR THE PURPOSE OF DETERMINING WHICH
8 OF ITS ASSETS ARE EXEMPT FROM TAXATION AND FOR THE PURPOSE OF
9 DETERMINING THE PROPORTION OF THE VALUE OF ITS CAPITAL STOCK
10 WHICH IS SUBJECT TO TAXATION.

11 (2) THE PROVISIONS OF THIS ARTICLE SHALL APPLY TO THE
12 TAXATION OF ENTITIES ORGANIZED FOR MANUFACTURING, PROCESSING,
13 RESEARCH OR DEVELOPMENT PURPOSES, BUT SHALL NOT APPLY TO SUCH
14 ENTITIES AS ENJOY AND EXERCISE THE RIGHT OF EMINENT DOMAIN.

15 * * *

16 (E) ANY HOLDING COMPANY SUBJECT TO THE CAPITAL STOCK TAX OR
17 THE FRANCHISE TAX IMPOSED BY THIS SECTION MAY ELECT TO COMPUTE
18 THE CAPITAL STOCK OR FRANCHISE TAX BY APPLYING THE RATE OF TAX
19 PROVIDED IN SUBSECTION (H) TO TEN PER CENT OF THE CAPITAL STOCK
20 VALUE AS DEFINED IN SECTION 601(A)[, BUT IN NO CASE SHALL THE
21 TAX SO COMPUTED BE LESS THAN THE MINIMUM TAX SET FORTH IN
22 SUBSECTION (I)]. IF EXERCISED, THIS ELECTION SHALL BE IN LIEU OF
23 ANY OTHER APPORTIONMENT OR ALLOCATION TO WHICH SUCH COMPANY
24 WOULD OTHERWISE BE ENTITLED.

25 (F) EVERY DOMESTIC CORPORATION AND EVERY FOREIGN CORPORATION
26 (I) REGISTERED TO DO BUSINESS IN PENNSYLVANIA; (II) WHICH
27 MAINTAINS AN OFFICE IN PENNSYLVANIA; (III) WHICH HAS FILED A
28 TIMELY ELECTION TO BE TAXED AS A REGULATED INVESTMENT COMPANY
29 WITH THE FEDERAL GOVERNMENT; AND (IV) WHICH DULY QUALIFIES TO BE
30 TAXED AS A REGULATED INVESTMENT COMPANY UNDER THE PROVISIONS OF

1 THE INTERNAL REVENUE CODE OF 1954 AS AMENDED, SHALL BE TAXED AS
2 A REGULATED INVESTMENT COMPANY AND SHALL BE SUBJECT TO THE
3 CAPITAL STOCK OR FRANCHISE TAX IMPOSED BY SECTION 602, EXCEPT AS
4 PROVIDED IN CLAUSE (2)(E) IN EITHER CASE FOR THE PRIVILEGE OF
5 HAVING AN OFFICE IN PENNSYLVANIA, WHICH TAX SHALL BE COMPUTED
6 PURSUANT TO THE PROVISIONS OF THIS SUBSECTION IN LIEU OF ALL
7 OTHER PROVISIONS OF THIS SECTION 602. THE TAX SHALL BE IN AN
8 AMOUNT WHICH IS [THE GREATER OF THE MINIMUM TAX SET FORTH IN
9 SUBSECTION (I) OR] THE SUM OF THE AMOUNTS DETERMINED PURSUANT TO
10 CLAUSES (1) AND (2):

11 (1) THE AMOUNT DETERMINED PURSUANT TO THIS CLAUSE SHALL BE
12 SEVENTY-FIVE DOLLARS (\$75) TIMES THAT NUMBER WHICH IS THE RESULT
13 OF DIVIDING THE NET ASSET VALUE OF THE REGULATED INVESTMENT
14 COMPANY BY ONE MILLION, ROUNDED TO THE NEAREST MULTIPLE OF
15 SEVENTY-FIVE DOLLARS (\$75). NET ASSET VALUE SHALL BE DETERMINED
16 BY ADDING THE MONTHLY NET ASSET VALUES AS OF THE LAST DAY OF
17 EACH MONTH DURING THE TAXABLE PERIOD AND DIVIDING THE TOTAL SUM
18 BY THE NUMBER OF MONTHS INVOLVED. EACH SUCH MONTHLY NET ASSET
19 VALUE SHALL BE THE ACTUAL MARKET VALUE OF ALL ASSETS OWNED
20 WITHOUT ANY EXEMPTIONS OR EXCLUSIONS, LESS ALL LIABILITIES,
21 DEBTS AND OTHER OBLIGATIONS.

22 (2) THE AMOUNT DETERMINED PURSUANT TO THIS CLAUSE SHALL BE
23 THE AMOUNT WHICH IS THE RESULT OF MULTIPLYING THE RATE OF
24 TAXATION APPLICABLE FOR PURPOSES OF THE PERSONAL INCOME TAX
25 DURING THE SAME TAXABLE YEAR TIMES THE APPORTIONED UNDISTRIBUTED
26 PERSONAL INCOME TAX INCOME OF THE REGULATED INVESTMENT COMPANY.
27 FOR THE PURPOSES OF THIS CLAUSE:

28 (A) PERSONAL INCOME TAX INCOME SHALL MEAN INCOME TO THE
29 EXTENT ENUMERATED AND CLASSIFIED IN SECTION 303.

30 (B) UNDISTRIBUTED PERSONAL INCOME TAX INCOME SHALL MEAN ALL

1 PERSONAL INCOME TAX INCOME OTHER THAN PERSONAL INCOME TAX INCOME
2 UNDISTRIBUTED ON ACCOUNT OF THE CAPITAL STOCK OR FOREIGN
3 FRANCHISE TAX, LESS ALL PERSONAL INCOME TAX INCOME DISTRIBUTED
4 TO SHAREHOLDERS. AT THE ELECTION OF THE COMPANY, INCOME
5 DISTRIBUTED AFTER THE CLOSE OF A TAXABLE YEAR, BUT DEEMED
6 DISTRIBUTED DURING THE TAXABLE YEAR FOR FEDERAL INCOME TAX
7 PURPOSES, SHALL BE DEEMED DISTRIBUTED DURING THAT YEAR FOR
8 PURPOSES OF THIS CLAUSE. IF A COMPANY IN A TAXABLE YEAR HAS BOTH
9 CURRENT INCOME AND INCOME ACCUMULATED FROM A PRIOR YEAR,
10 DISTRIBUTIONS DURING THE YEAR SHALL BE DEEMED TO HAVE BEEN MADE
11 FIRST FROM CURRENT INCOME.

12 (C) UNDISTRIBUTED PERSONAL INCOME TAX INCOME SHALL BE
13 APPORTIONED TO PENNSYLVANIA BY A FRACTION, THE NUMERATOR OF
14 WHICH IS ALL INCOME DISTRIBUTED DURING THE TAXABLE PERIOD TO
15 SHAREHOLDERS WHO ARE RESIDENT INDIVIDUALS, ESTATES OR TRUSTS AND
16 THE DENOMINATOR OF WHICH IS ALL INCOME DISTRIBUTED DURING THE
17 TAXABLE PERIOD. RESIDENT TRUSTS SHALL NOT INCLUDE CHARITABLE,
18 PENSION OR PROFIT-SHARING, OR RETIREMENT TRUSTS.

19 (D) PERSONAL INCOME TAX INCOME AND OTHER INCOME OF A COMPANY
20 SHALL EACH BE DEEMED TO BE EITHER DISTRIBUTED TO SHAREHOLDERS OR
21 UNDISTRIBUTED IN THE PROPORTION EACH CATEGORY BEARS TO ALL
22 INCOME RECEIVED BY THE COMPANY DURING THE TAXABLE YEAR.

23 (E) NO TAX SHALL BE IMPOSED UNDER THIS SUBSECTION FOR
24 TAXABLE YEARS BEGINNING ON OR AFTER JANUARY 1, 2004.

25 (G) IN THE EVENT THAT A DOMESTIC OR FOREIGN ENTITY IS
26 REQUIRED TO FILE A REPORT PURSUANT TO SECTION 601(B) ON OTHER
27 THAN AN ANNUAL BASIS, THE TAX IMPOSED BY THIS SECTION[, ,
28 INCLUDING THE MINIMUM TAX SET FORTH IN SUBSECTION (I),] SHALL BE
29 PRORATED TO REFLECT THE PORTION OF A TAXABLE YEAR FOR WHICH THE
30 REPORT IS FILED BY MULTIPLYING THE TAX LIABILITY BY A FRACTION

1 EQUAL TO THE NUMBER OF DAYS IN THE TAXABLE YEAR DIVIDED BY THREE
2 HUNDRED SIXTY-FIVE DAYS.

3 (H) THE RATE OF TAX FOR PURPOSES OF THE CAPITAL STOCK AND
4 FRANCHISE TAX FOR TAXABLE YEARS BEGINNING WITHIN THE DATES SET
5 FORTH SHALL BE AS FOLLOWS:

6	TAXABLE YEAR	REGULAR RATE	SURTAX	TOTAL RATE
7	JANUARY 1, 1971, TO			
8	DECEMBER 31, 1986	10 MILLS	0	10 MILLS
9	JANUARY 1, 1987, TO			
10	DECEMBER 31, 1987	9 MILLS	0	9 MILLS
11	JANUARY 1, 1988, TO			
12	DECEMBER 31, 1990	9.5 MILLS	0	9.5 MILLS
13	JANUARY 1, 1991, TO			
14	DECEMBER 31, 1991	11 MILLS	2 MILLS	13 MILLS
15	JANUARY 1, 1992, TO			
16	DECEMBER 31, 1997	11 MILLS	1.75 MILLS	12.75 MILLS
17	JANUARY 1, 1998,			
18	TO DECEMBER 31, 1998	11 MILLS	.99 MILLS	11.99 MILLS
19	JANUARY 1, 1999, [AND EACH			
20	YEAR THEREAFTER]			
21	<u>TO DECEMBER 31, 1999</u>	10.99 MILLS	0	10.99 MILLS
22	<u>JANUARY 1, 2000,</u>			
23	<u>TO DECEMBER 31, 2000</u>	8.75 MILLS	0	8.75 MILLS
24	<u>JANUARY 1, 2001,</u>			
25	<u>TO DECEMBER 31, 2001</u>	6.50 MILLS	0	6.50 MILLS
26	<u>JANUARY 1, 2002,</u>			
27	<u>TO DECEMBER 31, 2002</u>	4.25 MILLS	0	4.25 MILLS
28	<u>JANUARY 1, 2003,</u>			
29	<u>TO DECEMBER 31, 2003</u>	2 MILLS	0	2 MILLS
30	<u>JANUARY 1, 2004, AND</u>			

1 EACH YEAR THEREAFTER 0 0

2 (I) THE MINIMUM AMOUNT OF CAPITAL STOCK AND FRANCHISE TAX
3 FOR THE TAXABLE YEARS BEGINNING WITHIN THE DATES SET FORTH SHALL
4 BE AS FOLLOWS:

5 TAXABLE YEAR BEGINNING	MINIMUM TAX
6 JANUARY 1, 1971, TO DECEMBER 31, 1983	NO MINIMUM TAX IMPOSED
7 JANUARY 1, 1984, TO DECEMBER 31, 1990	\$75 MINIMUM TAX
8 JANUARY 1, 1991, TO DECEMBER 31, 1998	\$300 MINIMUM TAX
9 JANUARY 1, 1999, [AND EACH TAXABLE YEAR	
10 THEREAFTER]	
11 <u>TO DECEMBER 31, 1999</u>	\$200 MINIMUM TAX
12 <u>JANUARY 1, 2000, AND EACH TAXABLE YEAR</u>	
13 <u>THEREAFTER</u>	<u>NO MINIMUM TAX IMPOSED</u>

14 SECTION 8. SECTION 602.5 OF THE ACT, AMENDED MAY 12, 1999
15 (P.L.26, NO.4), IS AMENDED TO READ:

16 [SECTION 602.5. SHOWS AND FLEA MARKETS.--A CORPORATION THAT
17 CONFINES ITS ACTIVITIES IN THIS COMMONWEALTH DURING THE COURSE
18 OF A CALENDAR YEAR TO ATTENDANCE AT AN ORGANIZED "SHOW" OR "FLEA
19 MARKET" FOR THE PURPOSE OF EXHIBITING ITS GOODS AND MAKING SALES
20 THEREFROM SHALL NOT BE SUBJECT TO THE MINIMUM TAX IMPOSED UNDER
21 THIS ARTICLE, BASED SOLELY UPON SUCH ATTENDANCE IF LIMITED TO NO
22 MORE THAN TWENTY DAYS DURING THE YEAR, WITH NO MORE THAN SEVEN
23 DAYS BEING CONSECUTIVE.]

24 SECTION 9. THE ACT IS AMENDED BY ADDING A SECTION TO READ:
25 SECTION 701.5. QUALIFIED BUSINESSES.--(A) FOR TAXABLE YEARS
26 THAT BEGIN AFTER DECEMBER 31, 1998, AN INSTITUTION IS A
27 QUALIFIED BUSINESS UNDER SECTION 307 OF THE ACT OF OCTOBER 6,
28 1998 (P.L.705, NO.92), KNOWN AS THE "PENNSYLVANIA KEYSTONE
29 OPPORTUNITY ZONE ACT"; AND AN INSTITUTION MAY CLAIM A CREDIT
30 AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR THE TAXABLE YEAR TO

1 THE EXTENT OF THE TAX LIABILITY FOR THE AMOUNT OF THE TAXABLE
2 SHARES ATTRIBUTABLE TO A KEYSTONE OPPORTUNITY ZONE IN THE
3 TAXABLE YEAR.

4 (B) THE INSTITUTION'S TAX LIABILITY FOR THE AMOUNT OF THE
5 TAXABLE SHARES ATTRIBUTABLE TO A KEYSTONE OPPORTUNITY ZONE SHALL
6 BE DETERMINED BY MULTIPLYING THE AMOUNT OF THE TAXABLE SHARES
7 ATTRIBUTABLE TO THE KEYSTONE OPPORTUNITY ZONE BY THE RATE OF TAX
8 IMPOSED UNDER THIS ARTICLE FOR THE TAXABLE YEAR. THE INSTITUTION
9 SHALL COMPUTE THE PENNSYLVANIA TAXABLE AMOUNT OF ITS SHARES IN
10 CONFORMITY WITH THIS ARTICLE WITH NO ADJUSTMENTS OR SUBTRACTIONS
11 FOR THE TAXABLE AMOUNT OF SHARES ATTRIBUTABLE TO THE KEYSTONE
12 OPPORTUNITY ZONE.

13 (C) THE DETERMINATION OF THE AMOUNT OF AN INSTITUTION'S
14 TAXABLE SHARES ATTRIBUTABLE TO A KEYSTONE OPPORTUNITY ZONE SHALL
15 BE DETERMINED IN CONFORMITY WITH THIS ARTICLE AND WITH SPECIFIC
16 REFERENCE TO THE FOLLOWING:

17 (1) IF THE ENTIRE BUSINESS OF THE INSTITUTION IN THIS
18 COMMONWEALTH IS TRANSACTED WHOLLY WITHIN A KEYSTONE OPPORTUNITY
19 ZONE, THE AMOUNT OF THE TAXABLE SHARES ATTRIBUTABLE TO A
20 KEYSTONE OPPORTUNITY ZONE SHALL CONSIST OF THE PENNSYLVANIA
21 TAXABLE AMOUNT AS DETERMINED UNDER THIS ARTICLE.

22 (2) IF THE ENTIRE BUSINESS OF THE INSTITUTION IN THIS
23 COMMONWEALTH IS NOT WHOLLY TRANSACTED WITHIN A KEYSTONE
24 OPPORTUNITY ZONE, THE AMOUNT OF THE TAXABLE SHARES ATTRIBUTABLE
25 TO A KEYSTONE OPPORTUNITY ZONE SHALL BE DETERMINED BY
26 APPORTIONMENT IN ACCORDANCE WITH A FRACTION, THE NUMERATOR OF
27 WHICH IS THE SUM OF THE PAYROLL FACTOR, THE RECEIPTS FACTOR AND
28 THE DEPOSITS FACTOR, AND THE DENOMINATOR OF WHICH IS THREE.

29 (3) THE PAYROLL FACTOR IS A FRACTION, THE NUMERATOR OF WHICH
30 IS THE TOTAL WAGES PAID IN A KEYSTONE OPPORTUNITY ZONE DURING

1 THE TAX PERIOD AND THE DENOMINATOR OF WHICH IS THE TOTAL WAGES
2 PAID IN THIS COMMONWEALTH DURING THE TAX PERIOD. WAGES ARE PAID
3 IN A KEYSTONE OPPORTUNITY ZONE IF PAID TO AN EMPLOYEE HAVING A
4 REGULAR PRESENCE THEREIN.

5 (4) THE RECEIPTS FACTOR IS A FRACTION, THE NUMERATOR OF
6 WHICH IS TOTAL RECEIPTS LOCATED IN A KEYSTONE OPPORTUNITY ZONE
7 AND THE DENOMINATOR OF WHICH IS THE TOTAL RECEIPTS LOCATED IN
8 THIS COMMONWEALTH. RECEIPTS DO NOT INCLUDE PRINCIPAL REPAYMENTS
9 ON LOANS OR CREDIT, TRAVEL AND ENTERTAINMENT CARDS. RECEIPTS
10 FROM SALE OR DISPOSITION OF INTANGIBLE AND TANGIBLE PROPERTY
11 INCLUDE ONLY THE NET GAIN THEREFROM. THE LOCATION OF RECEIPTS
12 SHALL BE DETERMINED AS FOLLOWS:

13 (I) RECEIPTS FROM LOANS ARE LOCATED IN A KEYSTONE
14 OPPORTUNITY ZONE IF THE PLACE OF ORIGINATION OF THE LOAN IS IN A
15 KEYSTONE OPPORTUNITY ZONE, OR IF THE PROCEEDS OF THE LOAN WILL
16 BE USED BY THE BORROWER TO CONDUCT ACTIVITY WITHIN A KEYSTONE
17 OPPORTUNITY ZONE, INCLUDING, BUT NOT LIMITED TO, THE CONDUCT OF
18 BUSINESS ACTIVITIES IN A KEYSTONE OPPORTUNITY ZONE; THE
19 CONSTRUCTION, ALTERATION OR REPAIR OF REAL PROPERTY LOCATED IN A
20 KEYSTONE OPPORTUNITY ZONE; OR FOR THE PERSONAL USE OF
21 INDIVIDUALS RESIDING IN A KEYSTONE OPPORTUNITY ZONE.

22 (II) ALL RECEIPTS FROM PERFORMANCE OF SERVICES ARE LOCATED
23 IN A KEYSTONE OPPORTUNITY ZONE TO THE EXTENT THE SERVICES ARE
24 PERFORMED IN THE KEYSTONE OPPORTUNITY ZONE. IF SERVICES ARE
25 PERFORMED PARTLY WITHIN A KEYSTONE OPPORTUNITY ZONE AND PARTLY
26 OUTSIDE A KEYSTONE OPPORTUNITY ZONE, THE RECEIPTS LOCATED IN
27 EACH AREA SHALL BE MEASURED BY THE RATIO WHICH THE TIME SPENT IN
28 PERFORMING SUCH SERVICES IN A KEYSTONE OPPORTUNITY ZONE BEARS TO
29 THE TOTAL TIME SPENT IN PERFORMING SUCH SERVICES IN THIS
30 COMMONWEALTH. TIME SPENT IN PERFORMING SERVICES IN A KEYSTONE

1 OPPORTUNITY ZONE IS THE TIME SPENT BY EMPLOYES HAVING A REGULAR
2 PRESENCE IN THE KEYSTONE OPPORTUNITY ZONE IN PERFORMING SUCH
3 SERVICES.

4 (III) RECEIPTS FROM LEASE TRANSACTIONS ARE LOCATED IN A
5 KEYSTONE OPPORTUNITY ZONE IF THE LEASED PROPERTY IS DEEMED
6 LOCATED IN A KEYSTONE OPPORTUNITY ZONE.

7 (IV) INTEREST OR SERVICE CHARGES, EXCLUDING MERCHANT
8 DISCOUNTS, FROM CREDIT, TRAVEL AND ENTERTAINMENT CARD
9 RECEIVABLES AND CREDIT CARD HOLDERS' FEES ARE LOCATED IN A
10 KEYSTONE OPPORTUNITY ZONE IF THE CREDIT CARD HOLDER, IN THE CASE
11 OF AN INDIVIDUAL, RESIDES IN A KEYSTONE OPPORTUNITY ZONE OR, IF
12 A CORPORATION, IF THE CORPORATION'S COMMERCIAL DOMICILE IS
13 LOCATED IN A KEYSTONE OPPORTUNITY ZONE.

14 (V) INTEREST, DIVIDENDS AND NET GAINS FROM THE SALE OR
15 DISPOSITION OF INTANGIBLES, EXCLUSIVE OF THOSE RECEIPTS
16 DESCRIBED ELSEWHERE IN THIS SECTION, ARE LOCATED IN A KEYSTONE
17 OPPORTUNITY ZONE IF THE INSTITUTION MAINTAINS AN OFFICE IN A
18 KEYSTONE OPPORTUNITY ZONE WHICH TREATS SUCH INTANGIBLES AS
19 ASSETS ON ITS BOOKS OR RECORDS.

20 (VI) FEES OR CHARGES FROM THE ISSUANCE OF TRAVELER'S CHECKS
21 AND MONEY ORDERS ARE LOCATED IN A KEYSTONE OPPORTUNITY ZONE IF
22 SUCH TRAVELER'S CHECKS OR MONEY ORDERS ARE ISSUED IN A KEYSTONE
23 OPPORTUNITY ZONE.

24 (VII) RECEIPTS FROM SALES OF TANGIBLE PROPERTY ARE LOCATED
25 IN A KEYSTONE OPPORTUNITY ZONE IF THE PROPERTY IS DELIVERED OR
26 SHIPPED TO A PURCHASER LOCATED IN A KEYSTONE OPPORTUNITY ZONE,
27 REGARDLESS OF THE F.O.B. POINT OR OTHER CONDITIONS OF THE SALE.

28 (VIII) ALL RECEIPTS NOT SPECIFICALLY TREATED UNDER THIS
29 SUBSECTION ARE LOCATED IN A KEYSTONE OPPORTUNITY ZONE IF THE
30 GREATEST PORTION OF THE INCOME-PRODUCING ACTIVITIES ARE

1 PERFORMED IN A KEYSTONE OPPORTUNITY ZONE, BASED ON COSTS OF
2 PERFORMANCE.

3 (5) THE DEPOSITS FACTOR IS A FRACTION, THE NUMERATOR OF
4 WHICH IS THE AVERAGE VALUE OF DEPOSITS LOCATED IN A KEYSTONE
5 OPPORTUNITY ZONE DURING THE TAXABLE YEAR AND THE DENOMINATOR OF
6 WHICH IS THE AVERAGE VALUE OF THE TOTAL DEPOSITS IN THIS
7 COMMONWEALTH DURING THE TAXABLE YEAR. THE AVERAGE VALUE OF
8 DEPOSITS IS TO BE COMPUTED ON A QUARTERLY BASIS. DEPOSITS ARE
9 LOCATED IN A KEYSTONE OPPORTUNITY ZONE IF THE INSTITUTION
10 MAINTAINS AN OFFICE IN A KEYSTONE OPPORTUNITY ZONE WHICH
11 PROPERLY TREATS THE DEPOSITS AS A LIABILITY ON ITS BOOKS OR
12 RECORDS. A DEPOSIT IS CONSIDERED TO BE PROPERLY TREATED AS A
13 LIABILITY ON THE BOOKS OR RECORDS OF THE OFFICE WITH WHICH IT
14 HAS A GREATER PORTION OF CONTACT. IN DETERMINING WHETHER A
15 DEPOSIT HAS A GREATER PORTION OF CONTACT WITH A PARTICULAR
16 OFFICE, CONSIDERATION IS GIVEN TO:

17 (I) WHETHER THE DEPOSIT ACCOUNT WAS OPENED AT OR TRANSFERRED
18 TO THAT OFFICE BY OR AT THE DIRECTION OF THE DEPOSITOR,
19 REGARDLESS OF WHERE SUBSEQUENT DEPOSITS OR WITHDRAWALS ARE MADE.

20 (II) WHETHER EMPLOYEES REGULARLY CONNECTED WITH THAT OFFICE
21 ARE PRIMARILY RESPONSIBLE FOR SERVICING THE DEPOSITOR'S GENERAL
22 BANKING AND OTHER FINANCIAL NEEDS.

23 (III) WHETHER THE DEPOSIT WAS SOLICITED BY AN EMPLOYEE
24 REGULARLY CONNECTED WITH THAT OFFICE, REGARDLESS OF WHERE SUCH
25 DEPOSIT WAS ACTUALLY SOLICITED.

26 (IV) WHETHER THE TERMS GOVERNING THE DEPOSIT WERE NEGOTIATED
27 BY EMPLOYEES REGULARLY CONNECTED WITH THAT OFFICE, REGARDLESS OF
28 WHERE THE NEGOTIATIONS WERE ACTUALLY CONDUCTED.

29 (V) WHETHER ESSENTIAL RECORDS RELATING TO THE DEPOSIT ARE
30 KEPT AT THAT OFFICE AND WHETHER THE DEPOSIT IS SERVICED AT THAT

1 OFFICE.

2 (D) THE CREDIT ALLOWED UNDER THIS SECTION SHALL NOT EXCEED
3 THE TAX LIABILITY OF THE TAXPAYER UNDER THIS ARTICLE FOR THE TAX
4 YEAR.

5 SECTION 10. SECTION 701.5 OF THE ACT, ADDED JUNE 16, 1994
6 (P.L.279, NO.48), IS RENUMBERED TO READ:

7 SECTION [701.5] 701.30. DEFINITIONS.--* * *

8 SECTION 11. THE ACT IS AMENDED BY ADDING SECTIONS TO READ:

9 SECTION 703-A. QUALIFIED BUSINESSES.--(A) FOR TAXABLE YEARS
10 THAT BEGIN AFTER DECEMBER 31, 1998, AN INSTITUTION IS A
11 QUALIFIED BUSINESS UNDER SECTION 307 OF THE ACT OF OCTOBER 6,
12 1998 (P.L.705, NO.92), KNOWN AS THE "PENNSYLVANIA KEYSTONE
13 OPPORTUNITY ZONE ACT"; AND AN INSTITUTION MAY CLAIM A CREDIT
14 AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR THE TAXABLE YEAR TO
15 THE EXTENT OF THE TAX LIABILITY FOR THE AMOUNT OF THE TAXABLE
16 SHARES ATTRIBUTABLE TO A KEYSTONE OPPORTUNITY ZONE IN THE
17 TAXABLE YEAR.

18 (B) THE INSTITUTION'S TAX LIABILITY FOR THE AMOUNT OF THE
19 TAXABLE SHARES ATTRIBUTABLE TO A KEYSTONE OPPORTUNITY ZONE SHALL
20 BE DETERMINED BY MULTIPLYING THE AMOUNT OF THE TAXABLE SHARES
21 ATTRIBUTABLE TO THE KEYSTONE OPPORTUNITY ZONE BY THE RATE OF TAX
22 IMPOSED UNDER THIS ARTICLE FOR THE TAXABLE YEAR. THE INSTITUTION
23 SHALL COMPUTE THE PENNSYLVANIA TAXABLE AMOUNT OF ITS SHARES IN
24 CONFORMITY WITH THIS ARTICLE WITH NO ADJUSTMENTS OR SUBTRACTIONS
25 FOR THE TAXABLE AMOUNT OF SHARES ATTRIBUTABLE TO THE KEYSTONE
26 OPPORTUNITY ZONE.

27 (C) THE DETERMINATION OF THE AMOUNT OF AN INSTITUTION'S
28 TAXABLE SHARES ATTRIBUTABLE TO A KEYSTONE OPPORTUNITY ZONE SHALL
29 BE DETERMINED IN CONFORMITY WITH THIS ARTICLE AND WITH SPECIFIC
30 REFERENCE TO THE FOLLOWING:

1 (1) IF THE ENTIRE BUSINESS OF THE INSTITUTION IN THIS
2 COMMONWEALTH IS TRANSACTED WHOLLY WITHIN A KEYSTONE OPPORTUNITY
3 ZONE, THE AMOUNT OF THE TAXABLE SHARES ATTRIBUTABLE TO A
4 KEYSTONE OPPORTUNITY ZONE SHALL CONSIST OF THE PENNSYLVANIA
5 TAXABLE AMOUNT AS DETERMINED UNDER THIS ARTICLE.

6 (2) IF THE ENTIRE BUSINESS OF THE INSTITUTION IN THIS
7 COMMONWEALTH IS NOT WHOLLY TRANSACTED WITHIN A KEYSTONE
8 OPPORTUNITY ZONE, THE AMOUNT OF THE TAXABLE SHARES ATTRIBUTABLE
9 TO A KEYSTONE OPPORTUNITY ZONE SHALL BE DETERMINED BY
10 APPORTIONMENT IN ACCORDANCE WITH A FRACTION, THE NUMERATOR OF
11 WHICH IS THE SUM OF THE PAYROLL FACTOR, THE RECEIPTS FACTOR AND
12 THE DEPOSITS FACTOR, AND THE DENOMINATOR OF WHICH IS THREE.

13 (3) THE PAYROLL FACTOR IS A FRACTION, THE NUMERATOR OF WHICH
14 IS THE TOTAL WAGES PAID IN A KEYSTONE OPPORTUNITY ZONE DURING
15 THE TAX PERIOD AND THE DENOMINATOR OF WHICH IS THE TOTAL WAGES
16 PAID IN THIS COMMONWEALTH DURING THE TAX PERIOD. WAGES ARE PAID
17 IN A KEYSTONE OPPORTUNITY ZONE IF PAID TO AN EMPLOYEE HAVING A
18 REGULAR PRESENCE THEREIN.

19 (4) THE RECEIPTS FACTOR IS A FRACTION, THE NUMERATOR OF
20 WHICH IS TOTAL RECEIPTS LOCATED IN A KEYSTONE OPPORTUNITY ZONE
21 AND THE DENOMINATOR OF WHICH IS THE TOTAL RECEIPTS LOCATED IN
22 THIS COMMONWEALTH. RECEIPTS DO NOT INCLUDE PRINCIPAL REPAYMENTS
23 ON LOANS OR CREDIT, TRAVEL AND ENTERTAINMENT CARDS. RECEIPTS
24 FROM SALE OR DISPOSITION OF INTANGIBLE AND TANGIBLE PROPERTY
25 INCLUDE ONLY THE NET GAIN THEREFROM. THE LOCATION OF RECEIPTS
26 SHALL BE DETERMINED AS FOLLOWS:

27 (I) RECEIPTS FROM LOANS ARE LOCATED IN A KEYSTONE
28 OPPORTUNITY ZONE IF THE PLACE OF ORIGINATION OF THE LOAN IS IN A
29 KEYSTONE OPPORTUNITY ZONE, OR IF THE PROCEEDS OF THE LOAN WILL
30 BE USED BY THE BORROWER TO CONDUCT ACTIVITY WITHIN A KEYSTONE

1 OPPORTUNITY ZONE, INCLUDING, BUT NOT LIMITED TO, THE CONDUCT OF
2 BUSINESS ACTIVITIES IN A KEYSTONE OPPORTUNITY ZONE; THE
3 CONSTRUCTION, ALTERATION OR REPAIR OF REAL PROPERTY LOCATED IN A
4 KEYSTONE OPPORTUNITY ZONE; OR FOR THE PERSONAL USE OF
5 INDIVIDUALS RESIDING IN A KEYSTONE OPPORTUNITY ZONE.

6 (II) ALL RECEIPTS FROM PERFORMANCE OF SERVICES ARE LOCATED
7 IN A KEYSTONE OPPORTUNITY ZONE TO THE EXTENT THE SERVICES ARE
8 PERFORMED IN THE KEYSTONE OPPORTUNITY ZONE. IF SERVICES ARE
9 PERFORMED PARTLY WITHIN A KEYSTONE OPPORTUNITY ZONE AND PARTLY
10 OUTSIDE A KEYSTONE OPPORTUNITY ZONE, THE RECEIPTS LOCATED IN
11 EACH AREA SHALL BE MEASURED BY THE RATIO WHICH THE TIME SPENT IN
12 PERFORMING SUCH SERVICES IN A KEYSTONE OPPORTUNITY ZONE BEARS TO
13 THE TOTAL TIME SPENT IN PERFORMING SUCH SERVICES IN THIS
14 COMMONWEALTH. TIME SPENT IN PERFORMING SERVICES IN A KEYSTONE
15 OPPORTUNITY ZONE IS THE TIME SPENT BY EMPLOYEES HAVING A REGULAR
16 PRESENCE IN THE KEYSTONE OPPORTUNITY ZONE IN PERFORMING SUCH
17 SERVICES.

18 (III) RECEIPTS FROM LEASE TRANSACTIONS ARE LOCATED IN A
19 KEYSTONE OPPORTUNITY ZONE IF THE LEASED PROPERTY IS DEEMED
20 LOCATED IN A KEYSTONE OPPORTUNITY ZONE.

21 (IV) INTEREST OR SERVICE CHARGES, EXCLUDING MERCHANT
22 DISCOUNTS, FROM CREDIT, TRAVEL AND ENTERTAINMENT CARD
23 RECEIVABLES AND CREDIT CARD HOLDERS' FEES ARE LOCATED IN A
24 KEYSTONE OPPORTUNITY ZONE IF THE CREDIT CARD HOLDER, IN THE CASE
25 OF AN INDIVIDUAL, RESIDES IN A KEYSTONE OPPORTUNITY ZONE OR, IF
26 A CORPORATION, IF THE CORPORATION'S COMMERCIAL DOMICILE IS
27 LOCATED IN A KEYSTONE OPPORTUNITY ZONE.

28 (V) INTEREST, DIVIDENDS AND NET GAINS FROM THE SALE OR
29 DISPOSITION OF INTANGIBLES, EXCLUSIVE OF THOSE RECEIPTS
30 DESCRIBED ELSEWHERE IN THIS SECTION, ARE LOCATED IN A KEYSTONE

1 OPPORTUNITY ZONE IF THE INSTITUTION MAINTAINS AN OFFICE IN A
2 KEYSTONE OPPORTUNITY ZONE WHICH TREATS SUCH INTANGIBLES AS
3 ASSETS ON ITS BOOKS OR RECORDS.

4 (VI) FEES OR CHARGES FROM THE ISSUANCE OF TRAVELER'S CHECKS
5 AND MONEY ORDERS ARE LOCATED IN A KEYSTONE OPPORTUNITY ZONE IF
6 SUCH TRAVELER'S CHECKS OR MONEY ORDERS ARE ISSUED IN A KEYSTONE
7 OPPORTUNITY ZONE.

8 (VII) RECEIPTS FROM SALES OF TANGIBLE PROPERTY ARE LOCATED
9 IN A KEYSTONE OPPORTUNITY ZONE IF THE PROPERTY IS DELIVERED OR
10 SHIPPED TO A PURCHASER LOCATED IN A KEYSTONE OPPORTUNITY ZONE,
11 REGARDLESS OF THE F.O.B. POINT OR OTHER CONDITIONS OF THE SALE.

12 (VIII) ALL RECEIPTS NOT SPECIFICALLY TREATED UNDER THIS
13 SUBSECTION ARE LOCATED IN A KEYSTONE OPPORTUNITY ZONE IF THE
14 GREATEST PORTION OF THE INCOME-PRODUCING ACTIVITIES ARE
15 PERFORMED IN A KEYSTONE OPPORTUNITY ZONE, BASED ON COSTS OF
16 PERFORMANCE.

17 (5) THE DEPOSITS FACTOR IS A FRACTION, THE NUMERATOR OF
18 WHICH IS THE AVERAGE VALUE OF DEPOSITS LOCATED IN A KEYSTONE
19 OPPORTUNITY ZONE DURING THE TAXABLE YEAR AND THE DENOMINATOR OF
20 WHICH IS THE AVERAGE VALUE OF THE TOTAL DEPOSITS IN THIS
21 COMMONWEALTH DURING THE TAXABLE YEAR. THE AVERAGE VALUE OF
22 DEPOSITS IS TO BE COMPUTED ON A QUARTERLY BASIS. DEPOSITS ARE
23 LOCATED IN A KEYSTONE OPPORTUNITY ZONE IF THE INSTITUTION
24 MAINTAINS AN OFFICE IN A KEYSTONE OPPORTUNITY ZONE WHICH
25 PROPERLY TREATS THE DEPOSITS AS A LIABILITY ON ITS BOOKS OR
26 RECORDS. A DEPOSIT IS CONSIDERED TO BE PROPERLY TREATED AS A
27 LIABILITY ON THE BOOKS OR RECORDS OF THE OFFICE WITH WHICH IT
28 HAS A GREATER PORTION OF CONTACT. IN DETERMINING WHETHER A
29 DEPOSIT HAS A GREATER PORTION OF CONTACT WITH A PARTICULAR
30 OFFICE, CONSIDERATION IS GIVEN TO:

1 (I) WHETHER THE DEPOSIT ACCOUNT WAS OPENED AT OR TRANSFERRED
2 TO THAT OFFICE BY OR AT THE DIRECTION OF THE DEPOSITOR,
3 REGARDLESS OF WHERE SUBSEQUENT DEPOSITS OR WITHDRAWALS ARE MADE.

4 (II) WHETHER EMPLOYEES REGULARLY CONNECTED WITH THAT OFFICE
5 ARE PRIMARILY RESPONSIBLE FOR SERVICING THE DEPOSITOR'S GENERAL
6 BANKING AND OTHER FINANCIAL NEEDS.

7 (III) WHETHER THE DEPOSIT WAS SOLICITED BY AN EMPLOYEE
8 REGULARLY CONNECTED WITH THAT OFFICE, REGARDLESS OF WHERE SUCH
9 DEPOSIT WAS ACTUALLY SOLICITED.

10 (IV) WHETHER THE TERMS GOVERNING THE DEPOSIT WERE NEGOTIATED
11 BY EMPLOYEES REGULARLY CONNECTED WITH THAT OFFICE, REGARDLESS OF
12 WHERE THE NEGOTIATIONS WERE ACTUALLY CONDUCTED.

13 (V) WHETHER ESSENTIAL RECORDS RELATING TO THE DEPOSIT ARE
14 KEPT AT THAT OFFICE AND WHETHER THE DEPOSIT IS SERVICED AT THAT
15 OFFICE.

16 (D) THE CREDIT ALLOWED UNDER THIS SECTION SHALL NOT EXCEED
17 THE TAX LIABILITY OF THE TAXPAYER UNDER THIS ARTICLE FOR THE TAX
18 YEAR.

19 SECTION 1507. QUALIFIED BUSINESSES.--(A) FOR TAXABLE YEARS
20 THAT BEGIN AFTER DECEMBER 31, 1998, AN INSTITUTION IS A
21 QUALIFIED BUSINESS UNDER SECTION 307 OF THE ACT OF OCTOBER 6,
22 1998 (P.L.705, NO.92), KNOWN AS THE "PENNSYLVANIA KEYSTONE
23 OPPORTUNITY ZONE ACT"; AND AN INSTITUTION MAY CLAIM A CREDIT
24 AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR THE TAXABLE YEAR TO
25 THE EXTENT OF THE TAX LIABILITY FOR THE AMOUNT OF THE TAXABLE
26 INCOME ATTRIBUTABLE TO A KEYSTONE OPPORTUNITY ZONE IN THE
27 TAXABLE YEAR.

28 (B) THE INSTITUTION'S TAX LIABILITY FOR THE AMOUNT OF THE
29 TAXABLE INCOME ATTRIBUTABLE TO A KEYSTONE OPPORTUNITY ZONE SHALL
30 BE DETERMINED BY MULTIPLYING THE AMOUNT OF THE TAXABLE INCOME

1 ATTRIBUTABLE TO THE KEYSTONE OPPORTUNITY ZONE BY THE RATE OF TAX
2 IMPOSED UNDER THIS ARTICLE FOR THE TAXABLE YEAR. THE INSTITUTION
3 SHALL COMPUTE THE PENNSYLVANIA TAXABLE AMOUNT OF ITS SHARES IN
4 CONFORMITY WITH THIS ARTICLE WITH NO ADJUSTMENTS OR SUBTRACTIONS
5 FOR THE TAXABLE AMOUNT OF INCOME ATTRIBUTABLE TO THE KEYSTONE
6 OPPORTUNITY ZONE.

7 (C) THE DETERMINATION OF THE AMOUNT OF AN INSTITUTION'S
8 TAXABLE INCOME ATTRIBUTABLE TO A KEYSTONE OPPORTUNITY ZONE SHALL
9 BE DETERMINED IN CONFORMITY WITH THIS ARTICLE AND WITH SPECIFIC
10 REFERENCE TO THE FOLLOWING:

11 (1) IF THE ENTIRE BUSINESS OF THE INSTITUTION IN THIS
12 COMMONWEALTH IS TRANSACTED WHOLLY WITHIN A KEYSTONE OPPORTUNITY
13 ZONE, THE AMOUNT OF THE TAXABLE INCOME ATTRIBUTABLE TO A
14 KEYSTONE OPPORTUNITY ZONE SHALL CONSIST OF THE PENNSYLVANIA
15 TAXABLE AMOUNT AS DETERMINED UNDER THIS ARTICLE.

16 (2) IF THE ENTIRE BUSINESS OF THE INSTITUTION IN THIS
17 COMMONWEALTH IS NOT WHOLLY TRANSACTED WITHIN A KEYSTONE
18 OPPORTUNITY ZONE, THE AMOUNT OF THE TAXABLE INCOME ATTRIBUTABLE
19 TO A KEYSTONE OPPORTUNITY ZONE SHALL BE DETERMINED BY
20 APPORTIONMENT IN ACCORDANCE WITH A FRACTION, THE NUMERATOR OF
21 WHICH IS THE SUM OF THE PAYROLL FACTOR, THE RECEIPTS FACTOR AND
22 THE DEPOSITS FACTOR, AND THE DENOMINATOR OF WHICH IS THREE.

23 (3) THE PAYROLL FACTOR IS A FRACTION, THE NUMERATOR OF WHICH
24 IS THE TOTAL WAGES PAID IN A KEYSTONE OPPORTUNITY ZONE DURING
25 THE TAX PERIOD AND THE DENOMINATOR OF WHICH IS THE TOTAL WAGES
26 PAID IN THIS COMMONWEALTH DURING THE TAX PERIOD. WAGES ARE PAID
27 IN A KEYSTONE OPPORTUNITY ZONE IF PAID TO AN EMPLOYEE HAVING A
28 REGULAR PRESENCE THEREIN.

29 (4) THE RECEIPTS FACTOR IS A FRACTION, THE NUMERATOR OF
30 WHICH IS TOTAL RECEIPTS LOCATED IN A KEYSTONE OPPORTUNITY ZONE

1 AND THE DENOMINATOR OF WHICH IS THE TOTAL RECEIPTS LOCATED IN
2 THIS COMMONWEALTH. RECEIPTS DO NOT INCLUDE PRINCIPAL REPAYMENTS
3 ON LOANS OR CREDIT, TRAVEL AND ENTERTAINMENT CARDS. RECEIPTS
4 FROM SALE OR DISPOSITION OF INTANGIBLE AND TANGIBLE PROPERTY
5 INCLUDE ONLY THE NET GAIN THEREFROM. THE LOCATION OF RECEIPTS
6 SHALL BE DETERMINED AS FOLLOWS:

7 (I) RECEIPTS FROM LOANS ARE LOCATED IN A KEYSTONE
8 OPPORTUNITY ZONE IF THE PLACE OF ORIGINATION OF THE LOAN IS IN A
9 KEYSTONE OPPORTUNITY ZONE, OR IF THE PROCEEDS OF THE LOAN WILL
10 BE USED BY THE BORROWER TO CONDUCT ACTIVITY WITHIN A KEYSTONE
11 OPPORTUNITY ZONE, INCLUDING, BUT NOT LIMITED TO, THE CONDUCT OF
12 BUSINESS ACTIVITIES IN A KEYSTONE OPPORTUNITY ZONE; THE
13 CONSTRUCTION, ALTERATION OR REPAIR OF REAL PROPERTY LOCATED IN A
14 KEYSTONE OPPORTUNITY ZONE; OR FOR THE PERSONAL USE OF
15 INDIVIDUALS RESIDING IN A KEYSTONE OPPORTUNITY ZONE.

16 (II) ALL RECEIPTS FROM PERFORMANCE OF SERVICES ARE LOCATED
17 IN A KEYSTONE OPPORTUNITY ZONE TO THE EXTENT THE SERVICES ARE
18 PERFORMED IN THE KEYSTONE OPPORTUNITY ZONE. IF SERVICES ARE
19 PERFORMED PARTLY WITHIN A KEYSTONE OPPORTUNITY ZONE AND PARTLY
20 OUTSIDE A KEYSTONE OPPORTUNITY ZONE, THE RECEIPTS LOCATED IN
21 EACH AREA SHALL BE MEASURED BY THE RATIO WHICH THE TIME SPENT IN
22 PERFORMING SUCH SERVICES IN A KEYSTONE OPPORTUNITY ZONE BEARS TO
23 THE TOTAL TIME SPENT IN PERFORMING SUCH SERVICES IN THIS
24 COMMONWEALTH. TIME SPENT IN PERFORMING SERVICES IN A KEYSTONE
25 OPPORTUNITY ZONE IS THE TIME SPENT BY EMPLOYES HAVING A REGULAR
26 PRESENCE IN THE KEYSTONE OPPORTUNITY ZONE IN PERFORMING SUCH
27 SERVICES.

28 (III) RECEIPTS FROM LEASE TRANSACTIONS ARE LOCATED IN A
29 KEYSTONE OPPORTUNITY ZONE IF THE LEASED PROPERTY IS DEEMED
30 LOCATED IN A KEYSTONE OPPORTUNITY ZONE.

1 (IV) INTEREST OR SERVICE CHARGES, EXCLUDING MERCHANT
2 DISCOUNTS, FROM CREDIT, TRAVEL AND ENTERTAINMENT CARD
3 RECEIVABLES AND CREDIT CARD HOLDERS' FEES ARE LOCATED IN A
4 KEYSTONE OPPORTUNITY ZONE IF THE CREDIT CARD HOLDER, IN THE CASE
5 OF AN INDIVIDUAL, RESIDES IN A KEYSTONE OPPORTUNITY ZONE OR, IF
6 A CORPORATION, IF THE CORPORATION'S COMMERCIAL DOMICILE IS
7 LOCATED IN A KEYSTONE OPPORTUNITY ZONE.

8 (V) INTEREST, DIVIDENDS AND NET GAINS FROM THE SALE OR
9 DISPOSITION OF INTANGIBLES, EXCLUSIVE OF THOSE RECEIPTS
10 DESCRIBED ELSEWHERE IN THIS SECTION, ARE LOCATED IN A KEYSTONE
11 OPPORTUNITY ZONE IF THE INSTITUTION MAINTAINS AN OFFICE IN A
12 KEYSTONE OPPORTUNITY ZONE WHICH TREATS SUCH INTANGIBLES AS
13 ASSETS ON ITS BOOKS OR RECORDS.

14 (VI) FEES OR CHARGES FROM THE ISSUANCE OF TRAVELER'S CHECKS
15 AND MONEY ORDERS ARE LOCATED IN A KEYSTONE OPPORTUNITY ZONE IF
16 SUCH TRAVELER'S CHECKS OR MONEY ORDERS ARE ISSUED IN A KEYSTONE
17 OPPORTUNITY ZONE.

18 (VII) RECEIPTS FROM SALES OF TANGIBLE PROPERTY ARE LOCATED
19 IN A KEYSTONE OPPORTUNITY ZONE IF THE PROPERTY IS DELIVERED OR
20 SHIPPED TO A PURCHASER LOCATED IN A KEYSTONE OPPORTUNITY ZONE,
21 REGARDLESS OF THE F.O.B. POINT OR OTHER CONDITIONS OF THE SALE.

22 (VIII) ALL RECEIPTS NOT SPECIFICALLY TREATED UNDER THIS
23 SUBSECTION ARE LOCATED IN A KEYSTONE OPPORTUNITY ZONE IF THE
24 GREATEST PORTION OF THE INCOME-PRODUCING ACTIVITIES ARE
25 PERFORMED IN A KEYSTONE OPPORTUNITY ZONE, BASED ON COSTS OF
26 PERFORMANCE.

27 (5) THE DEPOSITS FACTOR IS A FRACTION, THE NUMERATOR OF
28 WHICH IS THE AVERAGE VALUE OF DEPOSITS LOCATED IN A KEYSTONE
29 OPPORTUNITY ZONE DURING THE TAXABLE YEAR AND THE DENOMINATOR OF
30 WHICH IS THE AVERAGE VALUE OF THE TOTAL DEPOSITS IN THIS

1 COMMONWEALTH DURING THE TAXABLE YEAR. THE AVERAGE VALUE OF
2 DEPOSITS IS TO BE COMPUTED ON A QUARTERLY BASIS. DEPOSITS ARE
3 LOCATED IN A KEYSTONE OPPORTUNITY ZONE IF THE INSTITUTION
4 MAINTAINS AN OFFICE IN A KEYSTONE OPPORTUNITY ZONE WHICH
5 PROPERLY TREATS THE DEPOSITS AS A LIABILITY ON ITS BOOKS OR
6 RECORDS. A DEPOSIT IS CONSIDERED TO BE PROPERLY TREATED AS A
7 LIABILITY ON THE BOOKS OR RECORDS OF THE OFFICE WITH WHICH IT
8 HAS A GREATER PORTION OF CONTACT. IN DETERMINING WHETHER A
9 DEPOSIT HAS A GREATER PORTION OF CONTACT WITH A PARTICULAR
10 OFFICE, CONSIDERATION IS GIVEN TO:

11 (I) WHETHER THE DEPOSIT ACCOUNT WAS OPENED AT OR TRANSFERRED
12 TO THAT OFFICE BY OR AT THE DIRECTION OF THE DEPOSITOR,
13 REGARDLESS OF WHERE SUBSEQUENT DEPOSITS OR WITHDRAWALS ARE MADE.

14 (II) WHETHER EMPLOYEES REGULARLY CONNECTED WITH THAT OFFICE
15 ARE PRIMARILY RESPONSIBLE FOR SERVICING THE DEPOSITOR'S GENERAL
16 BANKING AND OTHER FINANCIAL NEEDS.

17 (III) WHETHER THE DEPOSIT WAS SOLICITED BY AN EMPLOYEE
18 REGULARLY CONNECTED WITH THAT OFFICE, REGARDLESS OF WHERE SUCH
19 DEPOSIT WAS ACTUALLY SOLICITED.

20 (IV) WHETHER THE TERMS GOVERNING THE DEPOSIT WERE NEGOTIATED
21 BY EMPLOYEES REGULARLY CONNECTED WITH THAT OFFICE, REGARDLESS OF
22 WHERE THE NEGOTIATIONS WERE ACTUALLY CONDUCTED.

23 (V) WHETHER ESSENTIAL RECORDS RELATING TO THE DEPOSIT ARE
24 KEPT AT THAT OFFICE AND WHETHER THE DEPOSIT IS SERVICED AT THAT
25 OFFICE.

26 (D) THE CREDIT ALLOWED UNDER THIS SECTION SHALL NOT EXCEED
27 THE TAX LIABILITY OF THE TAXPAYER UNDER THIS ARTICLE FOR THE TAX
28 YEAR.

29 SECTION 12. SECTION 1709-B OF THE ACT, ADDED MAY 7, 1997
30 (P.L.85, NO.7), IS AMENDED TO READ:

1 SECTION 1709-B. LIMITATION ON CREDITS.--(A) THE TOTAL
2 AMOUNT OF CREDITS APPROVED BY THE DEPARTMENT SHALL NOT EXCEED
3 [FIFTEEN MILLION DOLLARS (\$15,000,000)] SIXTY MILLION DOLLARS
4 (\$60,000,000) IN ANY FISCAL YEAR. OF THAT AMOUNT, [THREE MILLION
5 DOLLARS (\$3,000,000)] FIVE MILLION DOLLARS (\$5,000,000) SHALL BE
6 ALLOCATED EXCLUSIVELY FOR SMALL BUSINESSES. HOWEVER, IF THE
7 TOTAL AMOUNTS ALLOCATED TO EITHER THE GROUP OF APPLICANTS
8 EXCLUSIVE OF SMALL BUSINESSES OR THE GROUP OF SMALL BUSINESS
9 APPLICANTS IS NOT APPROVED IN ANY FISCAL YEAR, THE UNUSED
10 PORTION WILL BECOME AVAILABLE FOR USE BY THE OTHER GROUP OF
11 QUALIFYING TAXPAYERS.

12 (B) IF THE TOTAL AMOUNT OF RESEARCH AND DEVELOPMENT TAX
13 CREDITS APPLIED FOR BY ALL TAXPAYERS, EXCLUSIVE OF SMALL
14 BUSINESSES, EXCEEDS THE AMOUNT ALLOCATED FOR THOSE CREDITS, THEN
15 THE RESEARCH AND DEVELOPMENT TAX CREDIT TO BE RECEIVED BY EACH
16 APPLICANT SHALL BE THE PRODUCT OF THE ALLOCATED AMOUNT
17 MULTIPLIED BY THE QUOTIENT OF THE RESEARCH AND DEVELOPMENT TAX
18 CREDIT APPLIED FOR BY THE APPLICANT DIVIDED BY THE TOTAL OF ALL
19 RESEARCH AND DEVELOPMENT CREDITS APPLIED FOR BY ALL APPLICANTS,
20 THE ALGEBRAIC EQUIVALENT OF WHICH IS:

21 TAXPAYER'S RESEARCH AND DEVELOPMENT TAX CREDIT=AMOUNT
22 ALLOCATED FOR THOSE CREDITS X (RESEARCH AND DEVELOPMENT
23 TAX CREDIT APPLIED FOR BY THE APPLICANT/TOTAL OF ALL
24 RESEARCH AND DEVELOPMENT TAX CREDITS APPLIED FOR BY ALL
25 APPLICANTS).

26 (C) IF THE TOTAL AMOUNT OF RESEARCH AND DEVELOPMENT TAX
27 CREDITS APPLIED FOR BY ALL SMALL BUSINESS TAXPAYERS EXCEEDS THE
28 AMOUNT ALLOCATED FOR THOSE CREDITS, THEN THE RESEARCH AND
29 DEVELOPMENT TAX CREDIT TO BE RECEIVED BY EACH SMALL BUSINESS
30 APPLICANT SHALL BE THE PRODUCT OF THE ALLOCATED AMOUNT

1 MULTIPLIED BY THE QUOTIENT OF THE RESEARCH AND DEVELOPMENT TAX
2 CREDIT APPLIED FOR BY THE SMALL BUSINESS APPLICANT DIVIDED BY
3 THE TOTAL OF ALL RESEARCH AND DEVELOPMENT CREDITS APPLIED FOR BY
4 ALL SMALL BUSINESS APPLICANTS, THE ALGEBRAIC EQUIVALENT OF WHICH
5 IS:

6 TAXPAYER'S RESEARCH AND DEVELOPMENT TAX CREDIT=AMOUNT
7 ALLOCATED FOR THOSE CREDITS X (RESEARCH AND DEVELOPMENT
8 TAX CREDIT APPLIED FOR BY THE SMALL BUSINESS/TOTAL OF ALL
9 RESEARCH AND DEVELOPMENT TAX CREDITS APPLIED FOR BY ALL
10 SMALL BUSINESS APPLICANTS).

11 SECTION 13. THE ACT IS AMENDED BY ADDING ARTICLES TO READ:

12 ARTICLE XVII-C

13 EMERGING TECHNOLOGY AND BIOTECHNOLOGY

14 TAX BENEFIT TRANSFER PROGRAM

15 SECTION 1701-C. LEGISLATIVE FINDINGS.--THE GENERAL ASSEMBLY
16 HEREBY FINDS AND DECLARES THAT:

17 (1) THE EMERGING ECONOMY OF THE COMMONWEALTH WILL, IN LARGE
18 PART, BE BASED ON HIGH TECHNOLOGY INDUSTRIES AND THE COMPANIES
19 THAT SERVE THEM. PENNSYLVANIA IS ALREADY EMERGING AS A NATIONAL
20 LEADER IN THE BIOTECHNOLOGY INDUSTRY AND IS RAPIDLY BECOMING A
21 CENTER FOR OTHER EMERGING TECHNOLOGIES. THESE COMPANIES HAVE THE
22 POTENTIAL TO BECOME SIGNIFICANT EMPLOYERS AND IMPORTANT
23 CONTRIBUTORS TO THE ECONOMY AND QUALITY OF LIFE IN THIS
24 COMMONWEALTH.

25 (2) OFTEN THE BIOTECHNOLOGY INDUSTRY AND OTHER EMERGING
26 TECHNOLOGY INDUSTRIES REQUIRE A SIGNIFICANT TIME TO BRING NEW
27 PRODUCTS TO THE MARKET. FEDERAL APPROVALS OFTEN MEAN THAT A
28 BIOTECHNOLOGY COMPANY NEED TEN YEARS OR MORE BEFORE IT HAS A
29 COMMERCIALY VIABLE PRODUCT. DURING THAT TIME, THESE BUSINESSES
30 OFTEN INCUR LOSSES AND OFTEN HAVE HIGH CAPITAL NEEDS.

1 (3) UNDER EXISTING STATE TAX LAWS, THESE COMPANIES CAN CARRY
2 THESE OPERATING LOSSES FORWARD FOR UP TO TEN YEARS TO OFFSET
3 FUTURE TAXES.

4 (4) ALLOWING THE STATE TO REPURCHASE THESE OPERATING LOSSES
5 PROVIDES THESE EMERGING TECHNOLOGY AND BIOTECHNOLOGY COMPANIES
6 WITH VITAL CAPITAL WHEN THEY MOST REQUIRE IT, WHILE AT THE SAME
7 TIME REDUCING THE IMPACT THAT THE USE OF NET OPERATING LOSS
8 ALLOWANCES WOULD HAVE ON FUTURE STATE TAX REVENUES.

9 (5) FOSTERING THE DEVELOPMENT OF EMERGING TECHNOLOGY AND
10 BIOTECHNOLOGY COMPANIES THROUGH THIS REPURCHASE PROGRAM WILL
11 PROVIDE SUBSTANTIAL ECONOMIC AND HEALTH BENEFITS FOR THE
12 CITIZENS OF THIS COMMONWEALTH.

13 SECTION 1702-C. DEFINITIONS.--THE FOLLOWING WORDS AND
14 PHRASES, WHEN USED IN THIS ARTICLE, SHALL HAVE THE MEANINGS
15 GIVEN TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT CLEARLY
16 INDICATES A DIFFERENT MEANING:

17 "BIOTECHNOLOGY." THE CONTINUALLY EXPANDING BODY OF
18 FUNDAMENTAL KNOWLEDGE ABOUT THE STRUCTURE AND FUNCTION OF
19 BIOLOGICAL SYSTEMS WHICH SEEKS, THROUGH RESEARCH, TO USE THAT
20 KNOWLEDGE OF NATURALLY OCCURRING PROCESSES TO DEVELOP HUMAN,
21 ANIMAL AND AGRICULTURAL PRODUCTS, SERVICES AND TECHNOLOGIES TO
22 ADDRESS MEDICAL PROBLEMS, PROLONG LIFE, PREVENT AND TREAT
23 DISEASE, REMEDIATE ENVIRONMENTAL PROBLEMS AND IMPROVE
24 AGRICULTURAL PRODUCTS.

25 "BIOTECHNOLOGY COMPANY." A PERSON WHOSE HEADQUARTERS OR BASE
26 OF OPERATIONS IS LOCATED IN THIS COMMONWEALTH, ENGAGED IN THE
27 RESEARCH, DEVELOPMENT, PRODUCTION OR PROVISION OF BIOTECHNOLOGY
28 FOR THE PURPOSE OF DEVELOPING OR PROVIDING PRODUCTS, PROCESSES
29 OR TECHNOLOGIES FOR SPECIFIC COMMERCIAL OR PUBLIC PURPOSES,
30 INCLUDING, BUT NOT LIMITED TO, MEDICAL, PHARMACEUTICAL,

1 NUTRITIONAL AND OTHER HEALTH-RELATED PURPOSES, AGRICULTURAL
2 PURPOSES AND ENVIRONMENTAL PURPOSES, OR A PERSON WHOSE
3 HEADQUARTERS OR BASE OF OPERATIONS IS LOCATED IN THIS
4 COMMONWEALTH WHO IS ENGAGED IN PROVIDING SERVICES OR PRODUCTS
5 NECESSARY FOR SUCH RESEARCH, DEVELOPMENT, PRODUCT OR PROVISION
6 OF SERVICE. THE TERM SHALL INCLUDE BIOINFORMATICS, BIOMEDICINE,
7 BIOPHARMACOGENOMICS, BIOPHARMACEUTICALS, BIOROBOTICS, BIOSCIENCE
8 AND GENOME RESEARCH.

9 "DEPARTMENT." THE DEPARTMENT OF COMMUNITY AND ECONOMIC
10 DEVELOPMENT OF THE COMMONWEALTH.

11 "EMERGING TECHNOLOGY COMPANY." A PERSON WHOSE HEADQUARTERS
12 OR BASE OF OPERATIONS IS LOCATED IN THIS COMMONWEALTH AND WHO
13 EMPLOYS SOME COMBINATION OF THE FOLLOWING: HIGHLY EDUCATED OR
14 TRAINED MANAGERS AND WORKERS WHO USE SOPHISTICATED SCIENTIFIC
15 RESEARCH OR PRODUCTION EQUIPMENT, PROCESSES OR KNOWLEDGE TO
16 DISCOVER, DEVELOP, TEST, TRANSFER OR MANUFACTURE A PRODUCT OR
17 SERVICE.

18 "NET OPERATING LOSS CARRYFORWARD ALLOWANCE." THE PROVISIONS
19 FOR APPLYING CERTAIN LOSSES AGAINST FUTURE TAX LIABILITY AS
20 PROVIDED FOR IN ARTICLE IV OF THIS ACT, WHICH TAXPAYERS CAN MAKE
21 AGAINST A TAX LIABILITY UNDER ARTICLE III, IV OR VI OF THIS ACT.

22 "QUALIFIED APPLICANT." AN EMERGING TECHNOLOGY OR
23 BIOTECHNOLOGY COMPANY THAT QUALIFIES TO PARTICIPATE IN THE TAX
24 BENEFIT TRANSFER PROGRAM AND INCLUDES EMERGING TECHNOLOGY
25 COMPANIES AND BIOTECHNOLOGY COMPANIES WHICH ARE LIABLE FOR TAXES
26 IMPOSED UNDER ARTICLE IV OR VI OF THIS ACT OR FOR TAXES IMPOSED
27 UNDER ARTICLE III OF THIS ACT OR A SHAREHOLDER OF A PENNSYLVANIA
28 S CORPORATION OR OWNER OF A LIMITED LIABILITY COMPANY.

29 "TAX BENEFIT PAYMENT." THE AMOUNT PAID BY THE DEPARTMENT OF
30 COMMUNITY AND ECONOMIC DEVELOPMENT TO REPURCHASE NET OPERATING

1 LOSS CARRYFORWARD ALLOWANCES FROM A QUALIFIED EMERGING
2 TECHNOLOGY OR BIOTECHNOLOGY COMPANY.

3 "TAX BENEFIT TRANSFER PROGRAM." THE PENNSYLVANIA EMERGING
4 TECHNOLOGY AND BIOTECHNOLOGY TAX BENEFIT TRANSFER PROGRAM
5 ESTABLISHED UNDER THIS ARTICLE.

6 SECTION 1703-C. PENNSYLVANIA EMERGING TECHNOLOGY AND
7 BIOTECHNOLOGY TAX BENEFIT TRANSFER PROGRAM ESTABLISHED.--THE
8 PENNSYLVANIA EMERGING TECHNOLOGY AND BIOTECHNOLOGY TAX BENEFIT
9 TRANSFER PROGRAM IS ESTABLISHED WITHIN THE DEPARTMENT OF
10 COMMUNITY AND ECONOMIC DEVELOPMENT. THE DEPARTMENT SHALL
11 ADMINISTER THE PENNSYLVANIA EMERGING TECHNOLOGY AND
12 BIOTECHNOLOGY TAX BENEFIT TRANSFER PROGRAM. IN CONJUNCTION WITH
13 THE DEPARTMENT OF REVENUE, THE DEPARTMENT SHALL HAVE THE
14 AUTHORITY TO ANNUALLY REPURCHASE UNUSED NET OPERATING LOSS
15 CARRYFORWARD ALLOWANCES FROM QUALIFYING EMERGING INDUSTRIES AND
16 BIOTECHNOLOGY COMPANIES. EMERGING TECHNOLOGY AND BIOTECHNOLOGY
17 COMPANIES MAY SUBMIT AN APPLICATION TO THE DEPARTMENT BY
18 SEPTEMBER 15 OF EACH YEAR REQUESTING THAT THE DEPARTMENT
19 REPURCHASE UNUSED NET OPERATING LOSS CARRYFORWARD ALLOWANCES.
20 THE DEPARTMENT SHALL PROVIDE THE DEPARTMENT OF REVENUE WITH A
21 LIST OF APPLICANTS. THE DEPARTMENT OF REVENUE SHALL ISSUE A
22 STATEMENT TO THE DEPARTMENT CERTIFYING THE AMOUNT OF UNUSED NET
23 LOSS CARRYFORWARD ALLOWANCES AVAILABLE FOR REPURCHASE FROM EACH
24 APPLICANT.

25 SECTION 1704-C. TAX BENEFIT PAYMENT.--THE DEPARTMENT SHALL
26 HAVE THE AUTHORITY TO MAKE TAX BENEFIT PAYMENTS TO QUALIFIED
27 APPLICANTS. THE AMOUNT OF EACH TAX BENEFIT PAYMENT SHALL BE
28 CALCULATED BY MULTIPLYING THE NET OPERATING LOSS CARRYFORWARD
29 ALLOWANCE FOR EACH APPLICANT TIMES THE TAX RATE FOR THE
30 APPLICABLE TAX AGAINST WHICH THE ALLOWANCE WOULD BE CREDITED

1 TIMES EIGHT-TENTHS (.8). THE TAX RATE SHALL BE THE RATE IN
2 EFFECT AT THE TIME THE TAX BENEFIT PAYMENT IS MADE. IF THE
3 AMOUNT OF REQUESTS FOR REPURCHASES OF ALLOWANCES EXCEEDS THE
4 AMOUNT OF FUNDS AVAILABLE TO THE DEPARTMENT IN ANY GIVEN YEAR,
5 THE DEPARTMENT SHALL HAVE THE AUTHORITY TO EITHER DENY
6 APPLICATIONS FOR REPURCHASE OR REDUCE THE AMOUNT OF ALLOWANCES
7 IT WILL REPURCHASE FROM EACH APPLICANT. PREFERENCE IN
8 REPURCHASING ALLOWANCES SHALL BE GIVEN TO APPLICANTS WHO HAVE
9 BEEN OPERATING FOR LESS THAN FIVE YEARS, EMPLOY FEWER THAN TEN
10 EMPLOYES, OR HAVE HAD NO SALES IN THE PRIOR TWO TAX YEARS. TAX
11 BENEFIT PAYMENTS SHALL BE MADE NO LATER THAN DECEMBER 31 OF EACH
12 YEAR.

13 SECTION 1705-C. SURRENDER OF NET OPERATING LOSS CARRYFORWARD
14 ALLOWANCES.--AS A CONDITION OF RECEIVING A TAX BENEFIT PAYMENT
15 FROM THE DEPARTMENT, EACH QUALIFIED APPLICANT SHALL SURRENDER
16 ITS RIGHT TO USE THE FULL AMOUNT OF ANY ALLOWANCE FOR WHICH IT
17 HAS RECEIVED A PAYMENT TO OFFSET ANY FUTURE TAX LIABILITY. THE
18 DEPARTMENT SHALL PROVIDE THE DEPARTMENT OF REVENUE WITH THE
19 NAMES OF THE QUALIFIED APPLICANTS AND AMOUNTS OF NET OPERATING
20 LOSS CARRYFORWARD ALLOWANCES THAT IT HAS REPURCHASED.

21 SECTION 1706-C. RULES AND REGULATIONS.--THE DEPARTMENT AND
22 THE DEPARTMENT OF REVENUE SHALL HAVE THE AUTHORITY TO PROMULGATE
23 SUCH RULES AND REGULATIONS AND TO ADOPT SUCH FORMS AND
24 PROCEDURES AS MAY BE NECESSARY TO IMPLEMENT THIS ARTICLE.

25 SECTION 1707-C. STATE TAX LIABILITY.--TAX BENEFIT PAYMENTS
26 SHALL NOT BE CLASSIFIED AS INCOME FOR STATE TAX PURPOSES.

27 SECTION 1708-C. ANNUAL APPROPRIATION AND AUDIT.--THE GENERAL
28 ASSEMBLY SHALL ANNUALLY APPROPRIATE FUNDS TO THE DEPARTMENT TO
29 MAKE TAX BENEFIT PAYMENTS. THE PENNSYLVANIA EMERGING TECHNOLOGY
30 AND BIOTECHNOLOGY TAX BENEFIT TRANSFER PROGRAM SHALL BE SUBJECT

1 TO THE SAME FISCAL AND PERFORMANCE AUDIT REQUIREMENTS AS APPLY
2 TO THE DEPARTMENT.

3 SECTION 1709-C. EXPIRATION OF ARTICLE.--THIS ARTICLE SHALL
4 EXPIRE ON DECEMBER 31, 2009, UNLESS OTHERWISE REAUTHORIZED BY
5 THE GENERAL ASSEMBLY.

6 ARTICLE XIX-B

7 FAMILY CAREGIVER TAX CREDIT

8 SECTION 1901-B. SHORT TITLE.--THIS ARTICLE SHALL BE KNOWN
9 AND MAY BE CITED AS THE "FAMILY CAREGIVER TAX CREDIT ACT."

10 SECTION 1902-B. DEFINITIONS.--THE FOLLOWING WORDS, TERMS AND
11 PHRASES, WHEN USED IN THIS ARTICLE, SHALL HAVE THE MEANINGS
12 ASCRIED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT
13 CLEARLY INDICATES A DIFFERENT MEANING:

14 "ACTIVITIES OF DAILY LIVING." ANY OR ALL OF THE FOLLOWING:
15 EATING; BATHING; DRESSING; TOILETING; TRANSFERRING IN AND OUT OF
16 BED OR IN AND OUT OF A CHAIR; AND PERSONAL HYGIENE.

17 "ASSISTED LIVING SERVICES." ANY COMBINATION OF SUPPORT
18 SERVICES, PERSONAL CARE SERVICES, PERSONALIZED ASSISTANCE
19 SERVICES, ASSISTIVE TECHNOLOGY AND HEALTH-RELATED SERVICES
20 DESIGNED TO RESPOND TO THE NEEDS OF THOSE WHO NEED SUCH
21 ASSISTANCE TO PERFORM ACTIVITIES OF DAILY LIVING. THE TERM MAY
22 ALSO INCLUDE ASSISTANCE WITH THE INSTRUMENTAL ACTIVITIES OF
23 DAILY LIVING.

24 "COGNITIVE SUPPORT SERVICES." SERVICES PROVIDED AS A PART OF
25 A COORDINATED CARE PLAN TO INDIVIDUALS WHO HAVE MEMORY
26 IMPAIRMENTS OR OTHER COGNITIVE PROBLEMS THAT SIGNIFICANTLY
27 INTERFERE WITH OR IMPAIR THEIR ABILITY TO CONDUCT ACTIVITIES OF
28 DAILY LIVING WITHOUT ASSISTANCE OR MONITORING.

29 "ELIGIBLE CAREGIVER." A TAXPAYER WHO PROVIDES, ARRANGES FOR
30 THE PROVISION OF OR PAYS FOR ASSISTED LIVING, COGNITIVE SUPPORT

1 OR PERSONAL CARE SERVICES FOR A QUALIFIED BENEFICIARY.

2 "INSTRUMENTAL ACTIVITIES OF DAILY LIVING." INCLUDES, BUT IS
3 NOT LIMITED TO, SERVICES SUCH AS MEAL PREPARATION, ASSISTANCE IN
4 TAKING MEDICATIONS, HANDLING FINANCES, SHOPPING, LIGHT
5 HOUSEKEEPING AND KEEPING PHYSICIAN APPOINTMENTS.

6 "PERSONAL CARE SERVICES." ASSISTANCE OR SUPERVISION IN
7 MATTERS SUCH AS DRESSING, BATHING, DIET, FINANCIAL MANAGEMENT OR
8 ASSISTANCE WITH SELF-ADMINISTERED MEDICATIONS.

9 "QUALIFIED BENEFICIARY." AN INDIVIDUAL WHO:

10 (1) HAS BEEN CERTIFIED BY A PHYSICIAN AS REQUIRING ASSISTED
11 LIVING, COGNITIVE SUPPORT OR PERSONAL CARE SERVICES FOR AT LEAST
12 ONE HUNDRED EIGHTY CONSECUTIVE DAYS;

13 (2) IS AT LEAST SIXTY YEARS OF AGE;

14 (3) RECEIVED SUCH SERVICES IN ONE'S HOME, IN THE HOME OF AN
15 ELIGIBLE CAREGIVER OR IN AN APPROVED ADULT DAY-CARE CENTER; AND

16 (4) IS THE SPOUSE, PARENT, GRANDPARENT, STEP PARENT, STEP
17 GRANDPARENT OR AND INDIVIDUAL WITH RESPECT TO WHOM THE TAXPAYER
18 IS ALLOWED A DEDUCTION UNDER SECTION 151 OF THE INTERNAL REVENUE
19 CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 1 ET. SEQ.) FOR THE
20 TAXABLE YEAR.

21 SECTION 1903-B. FAMILY CAREGIVER TAX CREDIT.--THERE SHALL BE
22 ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY ARTICLE III ON
23 ELIGIBLE CAREGIVERS FOR THE COSTS OF PROVIDING ASSISTED LIVING,
24 COGNITIVE SUPPORT OR PERSONAL CARE SERVICES TO A QUALIFIED
25 BENEFICIARY. THE AMOUNT OF THE CREDIT UNDER THIS SECTION SHALL
26 BE THE PER CENT SPECIFIED IN SECTION 302(A)(2) OR (B)(2) TIMES
27 THE AMOUNT SPENT BY THE ELIGIBLE CAREGIVER IN PROVIDING SUCH
28 SERVICES PROVIDED SUCH AMOUNT DOES NOT EXCEED TEN THOUSAND
29 DOLLARS (\$10,000). ONLY EXPENDITURES FOR SERVICES PROVIDED IN
30 THE HOME OF THE QUALIFIED BENEFICIARY, THE HOME OF A TAXPAYER

1 SERVING AS AN ELIGIBLE CAREGIVER FOR THAT RECIPIENT OR IN AN
2 APPROVED ADULT DAY-CARE FACILITY SHALL BE INCLUDED IN
3 CALCULATING THE CREDIT.

4 SECTION 1904-B. MULTIPLE CAREGIVERS.--IF MORE THAN ONE
5 TAXPAYER IS AN ELIGIBLE CAREGIVER WITH RESPECT TO THE SAME
6 APPLICABLE INDIVIDUAL FOR TAXABLE YEARS ENDING WITH OR WITHIN
7 THE SAME CALENDAR YEAR, THE TAXPAYER WITH THE HIGHEST MODIFIED
8 ADJUSTED GROSS INCOME SHALL BE TREATED AS THE ELIGIBLE
9 CAREGIVER. IN THE CASE OF MARRIED INDIVIDUALS FILING SEPARATELY,
10 ONLY ONE OF THE INDIVIDUALS SHALL QUALIFY FOR THE CREDIT
11 AUTHORIZED BY THIS ARTICLE. IN THE EVENT THAT THEY CAN NOT AGREE
12 AS TO WHO SHALL QUALIFY AS THE FAMILY CAREGIVER, THE
13 DETERMINATION SHALL BE MADE THAT THE INDIVIDUAL WHO HAS THE MOST
14 IMMEDIATE RELATIONSHIP WITH THE QUALIFIED BENEFICIARY SHALL BE
15 THE FAMILY CAREGIVER FOR PURPOSES OF THIS ARTICLE.

16 SECTION 1905-B. IDENTIFICATION REQUIREMENTS.--NO TAX CREDIT
17 SHALL BE ALLOWED UNDER THIS ARTICLE TO A TAXPAYER WITH RESPECT
18 TO ANY APPLICABLE INDIVIDUAL UNLESS THE TAXPAYER INCLUDES THE
19 NAME AND TAXPAYER IDENTIFICATION NUMBER OF SUCH INDIVIDUAL, THE
20 NAME OF THE PHYSICIAN CERTIFYING THE NEED FOR SUCH SERVICES AND
21 THE TAXPAYER IDENTIFICATION NUMBER OF THE ENTITY OR ENTITIES
22 PROVIDING SUCH SERVICES.

23 ARTICLE XIX-C

24 CHILD-CARE TAX CREDIT

25 SECTION 1901-C. SHORT TITLE OF ARTICLE.--THIS ARTICLE SHALL
26 BE KNOWN AND MAY BE CITED AS THE "CHILD-CARE TAX CREDIT ACT."

27 SECTION 1902-C. DEFINITIONS.--THE FOLLOWING WORDS AND
28 PHRASES WHEN USED IN THIS ARTICLE SHALL HAVE THE MEANINGS
29 ASCRIED TO THEM IN THIS SECTION EXCEPT WHERE THE CONTEXT
30 CLEARLY INDICATES A DIFFERENT MEANING:

1 "BUSINESS FIRM." A CORPORATION, PARTNERSHIP, SOLE
2 PROPRIETORSHIP OR OTHER ENTITY AUTHORIZED TO DO BUSINESS IN THIS
3 COMMONWEALTH AND SUBJECT TO ANY OF THE TAXES IMPOSED BY ARTICLE
4 III, IV, VI, VII, VIII, IX OR XV OF THIS ACT.

5 "CONTRIBUTIONS." PAYMENTS MADE TO A CHILD-CARE FACILITY NOT
6 OWNED OR OPERATED BY THE BUSINESS FIRM FOR CHILD-CARE SERVICES
7 FOR THE CHILDREN OF EMPLOYEES OF THE BUSINESS FIRM.

8 "CREDIT." THE CHILD-CARE TAX CREDIT.

9 "NET COSTS." AMOUNTS EXPENDED FOR THE OPERATION OF A CHILD-
10 CARE FACILITY REDUCED BY THE FEES OR CHARGES PAID BY THE USERS
11 OF THE CHILD-CARE FACILITY SERVICES.

12 SECTION 1903-C. AUTHORIZATION OF CREDIT.--(A) A BUSINESS
13 FIRM THAT OPERATES ITS OWN CHILD-CARE FACILITY WHICH MEETS THE
14 FOLLOWING REQUIREMENTS SHALL BE ELIGIBLE FOR THE TAX CREDIT:

15 (1) THE CHILD-CARE FACILITY HAS BEEN ISSUED A VALID LICENSE
16 BY THE DEPARTMENT OF PUBLIC WELFARE.

17 (2) CHILDREN OF THE BUSINESS FIRM'S EMPLOYEES UTILIZE THE
18 FACILITY ON A REGULAR BASIS.

19 (3) AT LEAST FIFTY PER CENT OF THE EMPLOYEES UTILIZING THE
20 CHILD-CARE FACILITY ARE NOT INDIVIDUALS WHO OWN MORE THAN TEN
21 PER CENT OF THE BUSINESS FIRM.

22 (4) THE CHILD-CARE PROGRAM EQUITABLY BENEFITS GROUPS OF
23 EMPLOYEES WHO QUALIFY UNDER A CLASSIFICATION SET UP BY THE
24 BUSINESS FIRM WHICH IS NOT DISCRIMINATORY IN FAVOR OF OFFICERS,
25 SHAREHOLDERS, OWNERS OR THEIR DEPENDENTS.

26 (5) AT LEAST EIGHTY PER CENT OF THE CHILDREN UTILIZING THE
27 CHILD-CARE FACILITY ARE CHILDREN OF THE BUSINESS FIRM'S
28 EMPLOYEES.

29 (B) A BUSINESS FIRM WHICH MAKES CONTRIBUTIONS TO A CHILD-
30 CARE FACILITY NOT OWNED OR OPERATED BY THE BUSINESS FIRM SHALL

1 BE ELIGIBLE FOR THE TAX CREDIT IF THE FOLLOWING REQUIREMENTS ARE
2 MET:

3 (1) THE CHILD-CARE FACILITY HAS BEEN ISSUED A VALID LICENSE
4 BY THE DEPARTMENT OF PUBLIC WELFARE.

5 (2) AT LEAST FIFTY PER CENT OF THE EMPLOYEES UTILIZING THE
6 CHILD-CARE FACILITY ARE NOT INDIVIDUALS WHO OWN MORE THAN TEN
7 PER CENT OF THE BUSINESS FIRM.

8 (3) THE CHILD-CARE PROGRAM EQUITABLY BENEFITS GROUPS OF
9 EMPLOYEES WHO QUALIFY UNDER A CLASSIFICATION SET UP BY THE
10 BUSINESS FIRM WHICH IS NOT DISCRIMINATORY IN FAVOR OF OFFICERS,
11 SHAREHOLDERS, OWNERS OR THEIR DEPENDENTS.

12 SECTION 1904-C. CALCULATION OF CREDIT.--(A) THE AMOUNT OF
13 THE TAX CREDIT AVAILABLE TO A BUSINESS FIRM WHICH QUALIFIES
14 UNDER THIS ARTICLE AND OPERATES ITS OWN NOT-FOR-PROFIT CHILD-
15 CARE FACILITY SHALL BE EQUAL TO TWENTY-FIVE PER CENT OF THE NET
16 COSTS OF THE CHILD-CARE FACILITY.

17 (B) THE AMOUNT OF THE TAX CREDIT AVAILABLE TO A BUSINESS
18 FIRM WHICH QUALIFIES UNDER THIS ARTICLE AND CONTRIBUTES TO A
19 CHILD-CARE FACILITY NOT OWNED OR OPERATED BY THE BUSINESS FIRM
20 SHALL BE EQUAL TO TWENTY-FIVE PER CENT OF THE CONTRIBUTIONS MADE
21 BY THE BUSINESS FIRM TO THE CHILD-CARE FACILITY.

22 (C) THE ANNUAL CREDIT ALLOWED UNDER THIS SECTION SHALL NOT
23 EXCEED TWENTY-FIVE THOUSAND DOLLARS (\$25,000) PER BUSINESS FIRM.

24 SECTION 1905-C. TAXES AGAINST WHICH CREDIT MAY BE TAKEN.--

25 (A) EXCEPT AS PROVIDED IN SUBSECTION (B), THE TAX CREDITS
26 PROVIDED FOR IN THIS ARTICLE MAY BE APPLIED AGAINST ANY TAX DUE
27 UNDER ARTICLE III, IV, VI, VII, VIII, IX OR XV OF THIS ACT.

28 (B) THE TAX CREDITS PROVIDED FOR IN THIS ARTICLE SHALL NOT
29 BE APPLIED AGAINST EMPLOYER WITHHOLDING TAXES REQUIRED UNDER
30 ARTICLE III OF THIS ACT.

1 SECTION 1906-C. POWERS AND DUTIES.--(A) THE DEPARTMENT OF
2 REVENUE, IN COOPERATION WITH THE DEPARTMENT OF PUBLIC WELFARE,
3 SHALL ADMINISTER THE PROVISIONS OF THIS ARTICLE, PROMULGATE
4 APPROPRIATE RULES, REGULATIONS AND FORMS FOR THAT PURPOSE AND
5 MAKE SUCH DETERMINATIONS AS MAY BE REQUIRED.

6 (B) CHILD-CARE TAX CREDITS MAY BE CLAIMED ONLY UPON
7 PRESENTATION OF AN AUTHORIZING CERTIFICATE. CERTIFICATES WILL BE
8 ISSUED TO A BUSINESS FIRM UPON PRESENTATION TO THE DEPARTMENT OF
9 PUBLIC WELFARE OF EVIDENCE OF ELIGIBILITY UNDER THIS ARTICLE.

10 (C) THE SECRETARY OF PUBLIC WELFARE AND THE SECRETARY OF
11 REVENUE SHALL SUBMIT AN ANNUAL REPORT TO THE GENERAL ASSEMBLY
12 INDICATING THE EFFECTIVENESS OF THE CREDIT PROVIDED BY THIS ACT
13 NO LATER THAN MARCH 15 FOLLOWING THE YEAR IN WHICH THE CREDITS
14 WERE ISSUED. THE REPORT SHALL INCLUDE THE NUMBER OF TAXPAYERS
15 UTILIZING THE CREDIT AS OF THE DATE OF THE REPORT AND THE AMOUNT
16 OF CREDITS ISSUED AND UTILIZED. THE REPORT MAY ALSO INCLUDE ANY
17 RECOMMENDATIONS FOR CHANGES IN THE CALCULATION OR ADMINISTRATION
18 OF THE CREDIT.

19 SECTION 1907-C. LIMITATIONS.--THE TOTAL AMOUNT OF CHILD-CARE
20 CREDITS AUTHORIZED BY THIS ARTICLE SHALL NOT EXCEED TWENTY-FIVE
21 MILLION DOLLARS (\$25,000,000) IN ANY FISCAL YEAR. THE DEPARTMENT
22 OF PUBLIC WELFARE SHALL PROMULGATE REGULATIONS TO ISSUE
23 CERTIFICATES AND AVOID CERTIFICATE ISSUANCES IN EXCESS OF THE
24 MAXIMUM AUTHORIZED AMOUNT FOR ANY FISCAL YEAR.

25 SECTION 1908-C. TIME PERIODS FOR EARNING AND USING
26 CREDITS.--CHILD-CARE CREDITS MAY BE ISSUED FOR NET COSTS OR
27 CONTRIBUTIONS OCCURRING ON OR AFTER JANUARY 1, 2000, AND BEFORE
28 JANUARY 1, 2005. CHILD-CARE CREDITS ISSUED MAY BE CLAIMED
29 AGAINST TAXES PAYABLE FOR TAX YEARS BEGINNING ON OR AFTER
30 JANUARY 1, 2001, AND BEFORE JANUARY 1, 2007.

1 SECTION 14. SECTION 2106 OF THE ACT, ADDED AUGUST 4, 1991
2 (P.L.97, NO.22), IS AMENDED TO READ:

3 SECTION 2106. IMPOSITION OF TAX.--[AN]

4 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2), AN INHERITANCE TAX
5 FOR THE USE OF THE COMMONWEALTH IS IMPOSED UPON EVERY TRANSFER
6 SUBJECT TO TAX UNDER THIS ARTICLE AT THE RATES SPECIFIED IN
7 SECTION 2116.

8 (2) THE TRANSFER OF PROPERTY FOR ESTATES OF DECEDENTS DYING
9 AFTER JUNE 30, 2000, IS NOT SUBJECT TO THE INHERITANCE TAX.

10 SECTION 15. SECTION 2111 OF THE ACT IS AMENDED BY ADDING A
11 SUBSECTION TO READ:

12 SECTION 2111. TRANSFERS NOT SUBJECT TO TAX.--* * *

13 (S) TRANSFERS OF PROPERTY FROM A CHILD TWENTY-ONE YEARS OF
14 AGE OR YOUNGER TO THE PARENT OF THE CHILD.

15 SECTION 16. SECTION 2116(A) OF THE ACT, AMENDED JUNE 16,
16 1994 (P.L.279, NO.48) AND JUNE 30, 1995 (P.L.139, NO.21), IS
17 AMENDED TO READ:

18 SECTION 2116. INHERITANCE TAX.--(A) (1) INHERITANCE TAX
19 UPON THE TRANSFER OF PROPERTY PASSING TO OR FOR THE USE OF ANY
20 OF THE FOLLOWING SHALL BE AT THE RATE OF SIX PER CENT[:]
21 FOR THE ESTATE OF A DECEDENT DYING BEFORE JULY 1, 2000, AND AT A RATE OF
22 ZERO PER CENT FOR THE ESTATE OF A DECEDENT DYING ON OR AFTER
23 JULY 1, 2000:

24 (I) GRANDFATHER, GRANDMOTHER, FATHER, MOTHER, EXCEPT
25 TRANSFERS UNDER SECTION 2111(S), AND LINEAL DESCENDANTS; OR

26 (II) WIFE OR WIDOW AND HUSBAND OR WIDOWER OF A CHILD.

27 (1.1) INHERITANCE TAX UPON THE TRANSFER OF PROPERTY PASSING
28 TO OR FOR THE USE OF A HUSBAND OR WIFE SHALL BE:

29 (I) AT THE RATE OF THREE PER CENT FOR ESTATES OF DECEDENTS
30 DYING ON OR AFTER JULY 1, 1994, AND BEFORE JANUARY 1, 1995.

1 (II) AT A RATE OF ZERO PER CENT FOR ESTATES OF DECEDENTS
2 DYING ON OR AFTER JANUARY 1, 1995.

3 (1.2) INHERITANCE TAX UPON THE TRANSFER OF PROPERTY PASSING
4 TO OR FOR THE USE OF A PARENT FROM A CHILD UNDER EIGHTEEN YEARS
5 OF AGE OR IF THAT CHILD IS A STUDENT, UNDER TWENTY-TWO YEARS OF
6 AGE SHALL BE AT A RATE OF ZERO PER CENT FOR ESTATES OF
7 DECEDENTS DYING ON OR AFTER JANUARY 1, 2000.

8 (2) INHERITANCE TAX UPON THE TRANSFER OF PROPERTY PASSING TO
9 OR FOR THE USE OF ALL PERSONS OTHER THAN THOSE DESIGNATED IN
10 SUBCLAUSE (1) [OR], (1.1) OR (1.2) OR EXEMPT UNDER SECTION
11 2111(M) SHALL BE AT THE RATE OF FIFTEEN PER CENT[.] FOR A
12 DECEDENT DYING BEFORE JULY 1, 2000, AND AT A RATE OF ZERO PER
13 CENT FOR THE ESTATE OF A DECEDENT DYING ON OR AFTER JULY 1,
14 2000.

15 (3) WHEN PROPERTY PASSES TO OR FOR THE USE OF A HUSBAND AND
16 WIFE WITH RIGHT OF SURVIVORSHIP, ONE OF WHOM IS TAXABLE AT A
17 RATE LOWER THAN THE OTHER, THE LOWER RATE OF TAX SHALL BE
18 APPLIED TO THE ENTIRE INTEREST.

19 * * *

20 SECTION 17. SECTION 2117 OF THE ACT IS REPEALED.

21 SECTION 18. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

22 ARTICLE XXIX-B

23 HOMEOWNERS' TAX REBATE

24 SECTION 2901-B. SHORT TITLE OF ARTICLE.--THIS ARTICLE SHALL
25 BE KNOWN AND MAY BE CITED AS THE "HOMEOWNERS' CENTURY TAX REBATE
26 ACT."

27 SECTION 2902-B. DEFINITIONS.--THE FOLLOWING WORDS, TERMS AND
28 PHRASES, WHEN USED IN THIS ARTICLE, SHALL HAVE THE MEANINGS
29 ASCRIED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT
30 CLEARLY INDICATES A DIFFERENT MEANING:

1 "ASSESSOR." THE CHIEF ASSESSOR OF A COUNTY, THE EQUIVALENT
2 POSITION IN A HOME RULE COUNTY OR THE EQUIVALENT POSITION IN A
3 CITY OF THE THIRD CLASS THAT PERFORMS ITS OWN ASSESSMENTS OF
4 REAL PROPERTY.

5 "DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH
6 OR ITS DESIGNEE.

7 "HOMEOWNER." ANY OWNER OF A HOMESTEAD WHO IS:

8 (1) AN INDIVIDUAL WHO IS A NATURAL PERSON DOMICILED IN THIS
9 COMMONWEALTH;

10 (2) A GRANTOR WHO HAS PLACED REAL PROPERTY IN A REVOCABLE
11 TRUST, PROVIDED THAT THE GRANTOR IS A NATURAL PERSON DOMICILED
12 IN THIS COMMONWEALTH; OR

13 (3) A PARTNER OF A FAMILY FARM PARTNERSHIP OR A SHAREHOLDER
14 OF A FAMILY FARM CORPORATION AS THE TERMS ARE DEFINED IN SECTION
15 1101-C, PROVIDED THAT THE PARTNER OR SHAREHOLDER IS A NATURAL
16 PERSON DOMICILED IN THIS COMMONWEALTH.

17 "HOMESTEAD." THE OWNER-OCCUPIED, PRIMARY RESIDENCE AND THE
18 PARCEL OF LAND WITHIN THIS COMMONWEALTH ON WHICH THE RESIDENCE
19 IS LOCATED AND OTHER IMPROVEMENTS LOCATED ON THE PARCEL. IF A
20 PORTION OF THE STRUCTURE IS USED FOR A NONRESIDENTIAL PURPOSE,
21 THE HOMESTEAD IS EQUAL TO THAT PORTION OF THE PROPERTY USED AS
22 THE PRIMARY RESIDENCE OF THE OWNER-OCCUPANT. THIS DEFINITION OF
23 "HOMESTEAD" SHALL HAVE NO EFFECT, EVIDENTIARY OR OTHERWISE,
24 CONCERNING THE ISSUE OF WHETHER THE PROPERTY CONSTITUTES A
25 HOMESTEAD OR HOMESTEAD PROPERTY UNDER ANY OTHER ACT.

26 "REAL PROPERTY TAX." THE TOTAL REAL PROPERTY TAX IMPOSED BY
27 A SCHOOL DISTRICT ON A HOMESTEAD FOR THE TAX YEAR. THE TERM DOES
28 NOT INCLUDE PAYMENTS MADE IN LIEU OF TAXES OR ANY PENALTIES OR
29 INTEREST PAID IN CONNECTION WITH THE TAX.

30 "REBATE." AN AMOUNT EQUAL TO ONE HUNDRED PER CENT OF THE

1 REAL PROPERTY TAX PAID ON THE ASSESSED VALUE OF A HOMESTEAD TO A
2 SCHOOL DISTRICT FOR THE TAX YEAR, EXCEPT THAT NO REBATE PAID
3 PURSUANT TO THIS ARTICLE SHALL EXCEED ONE HUNDRED DOLLARS
4 (\$100).

5 "RESIDENCE." A STRUCTURE USED AS A PLACE OF HABITATION BY
6 THE OWNER OF THE STRUCTURE.

7 "SCHOOL DISTRICT." A SCHOOL DISTRICT OF THE FIRST CLASS,
8 FIRST CLASS A, SECOND CLASS, THIRD CLASS OR FOURTH CLASS,
9 INCLUDING ANY INDEPENDENT SCHOOL DISTRICT.

10 "TAX YEAR." THE SCHOOL DISTRICT'S FISCAL YEAR 1999-2000
11 DURING WHICH REAL PROPERTY TAX IS DUE AND PAYABLE.

12 SECTION 2903-B. REBATE QUALIFICATIONS.--(A) SUBJECT TO
13 SECTION 2904-B, A REBATE SHALL BE ISSUED ON ACCOUNT OF SCHOOL
14 REAL PROPERTY TAXES FOR A HOMESTEAD IF ALL OF THE FOLLOWING
15 APPLY:

16 (1) THE HOMEOWNER OCCUPIED THE HOMESTEAD DURING THE TAX
17 YEAR.

18 (2) THE HOMEOWNER HAS PAID REAL PROPERTY TAX OWED ON THE
19 HOMESTEAD TO THE SCHOOL DISTRICT FOR THE TAX YEAR.

20 (3) THE HOMEOWNER IS THE OWNER OF RECORD AS OF JULY 1, 1999.

21 (4) THE HOMEOWNER APPLIES IN A FORM AND TIME PRESCRIBED BY
22 THE DEPARTMENT.

23 NO HOMEOWNER SHALL BE ELIGIBLE TO RECEIVE MORE THAN ONE REBATE.

24 (B) IF TITLE TO A HOMESTEAD IS HELD BY MORE THAN ONE
25 INDIVIDUAL, A REBATE SHALL BE ISSUED IN THE NAMES APPEARING ON
26 THE SCHOOL PROPERTY TAX RECORD.

27 SECTION 2904-B. REBATE ADMINISTRATION.--(A) THE DEPARTMENT
28 SHALL ESTABLISH ANY ADMINISTRATIVE AND APPLICATION PROCEDURES
29 AND DEADLINES NECESSARY TO IMPLEMENT AND ADMINISTER THIS
30 ARTICLE. TO FACILITATE THE TIMELY IMPLEMENTATION OF THIS

1 ARTICLE, THE PROVISIONS OF ARTICLE III PT. X OF THIS ACT AND
2 ARTICLE VII OF THE ACT OF APRIL 9, 1929 (P.L.343, NO.176), KNOWN
3 AS "THE FISCAL CODE," SHALL NOT APPLY TO THIS ARTICLE. THE
4 DEPARTMENT MAY ENTER INTO ANY CONTRACTS WHICH ARE NECESSARY TO
5 ADMINISTER THIS ARTICLE.

6 (B) WITHIN THIRTY DAYS OF THE EFFECTIVE DATE OF THIS
7 ARTICLE, EVERY ASSESSOR SHALL SUBMIT TO THE DEPARTMENT A
8 CERTIFIED LIST, CATEGORIZED BY SCHOOL DISTRICT, OF ALL
9 RESIDENTIAL AND FARM REAL PROPERTY AND OWNERS OF RECORD AS OF
10 JULY 1, 1999, WITHIN ITS JURISDICTION. THE CERTIFIED LIST SHALL
11 INCLUDE ONLY THOSE HOMEOWNERS OF RECORD WHO HAVE FULLY PAID
12 THEIR 1999-2000 SCHOOL REAL PROPERTY TAXES OWED ON THEIR
13 RESPECTIVE HOMESTEADS.

14 (C) ONLY CERTIFIED LISTS SUBMITTED BY OR WITHIN THIRTY DAYS
15 OF THE EFFECTIVE DATE OF THIS ARTICLE SHALL BE REVIEWED BY THE
16 DEPARTMENT. THE DEPARTMENT SHALL MAKE THE INITIAL DETERMINATION
17 OF HOMEOWNER REBATE ELIGIBILITY FROM INFORMATION SUBMITTED BY
18 THE HOMEOWNER. THE DEPARTMENT SHALL THEREAFTER FORWARD THE LIST
19 OF ELIGIBLE HOMEOWNERS TO THE RESPECTIVE ASSESSOR.

20 (D) WITHIN THIRTY DAYS AFTER RECEIPT OF THE LIST OF ELIGIBLE
21 HOMEOWNERS, THE ASSESSOR SHALL VERIFY THE LIST AND REPORT TO THE
22 DEPARTMENT ANY CORRECTIONS TO THE LIST.

23 (E) THE DEPARTMENT SHALL FINALIZE THE LIST AND AUTHORIZE
24 REBATES WHICH SHALL BE ISSUED AND MAILED TO ALL HOMEOWNERS ON
25 THE FINAL VERIFIED LIST BY OCTOBER 20, 2000. IF THE ASSESSOR
26 FAILS TO VERIFY THE LIST OR NOTIFY THE DEPARTMENT OF ANY
27 CORRECTIONS WITHIN THE TIME LIMITATION SET FORTH UNDER
28 SUBSECTION (D), THE DEPARTMENT SHALL AUTHORIZE REBATES TO ALL
29 HOMEOWNERS ON THE LIST DEVELOPED BY THE DEPARTMENT PURSUANT TO
30 SUBSECTION (C).

1 SECTION 2905-B. PETITIONS FOR REVIEW.--A HOMEOWNER WHOSE
2 REBATE IS EITHER DENIED, CORRECTED OR OTHERWISE ADVERSELY
3 AFFECTED BY EITHER THE DEPARTMENT OR THE ASSESSOR MAY PETITION
4 FOR ADMINISTRATIVE REVIEW IN THE MANNER PRESCRIBED BY THE
5 DEPARTMENT. AN INDIVIDUAL AGGRIEVED BY THE DEPARTMENT'S ACTION
6 IN CONNECTION WITH THE ADMINISTRATIVE REVIEW MAY PETITION FOR
7 REVIEW IN THE MANNER SPECIFIED IN SECTIONS 11.1 AND 11.2 OF THE
8 ACT OF MARCH 11, 1971 (P.L.104, NO.3), KNOWN AS THE "SENIOR
9 CITIZENS REBATE AND ASSISTANCE ACT."

10 SECTION 2906-B. PENALTIES.--(A) ANY HOMEOWNER WHO RECEIVES
11 A REBATE THROUGH FALSE OR MISLEADING INFORMATION OR WHO
12 OTHERWISE IMPROPERLY RECEIVES A REBATE MAY BE REQUIRED TO DO THE
13 FOLLOWING:

14 (1) REFUND TO THE DEPARTMENT THE AMOUNT OF REBATE RECEIVED;

15 (2) PAY A CIVIL PENALTY OF FIFTY DOLLARS (\$50) TO THE
16 DEPARTMENT; OR

17 (3) BOTH PARAGRAPHS (1) AND (2).

18 (B) THE DEPARTMENT MAY OFFSET ANY REBATE DUE TO A HOMEOWNER
19 AGAINST COLLECTIBLE LIABILITIES OWED TO THE COMMONWEALTH BY THE
20 HOMEOWNER FOR TAXES IMPOSED UNDER ARTICLE III OF THIS ACT.

21 SECTION 2907-B. ERRONEOUS REBATES.--(A) IF THE DEPARTMENT
22 DETERMINES OR FINDS A REBATE TO HAVE BEEN INCORRECTLY OR
23 ERRONEOUSLY PAID, IT SHALL REDETERMINE THE CORRECT AMOUNT OF THE
24 REBATE, IF ANY, AND NOTIFY THE HOMEOWNER OF THE REASON FOR THE
25 CORRECTION AND THE AMOUNT OF THE REBATE.

26 (B) IF A REBATE HAS BEEN ISSUED IN ERROR AND THE HOMEOWNER
27 FAILS TO REFUND THE REBATE UPON THE DEPARTMENT'S REQUEST, THE
28 REBATE SHALL BE RECOVERABLE BY THE DEPARTMENT IN THE SAME MANNER
29 AS ASSESSMENTS AS PROVIDED FOR IN THE ACT OF MARCH 11, 1971
30 (P.L.104, NO.3), KNOWN AS THE "SENIOR CITIZENS REBATE AND

1 ASSISTANCE ACT."

2 SECTION 2908-B. CONSTRUCTION.--NOTWITHSTANDING ANY OTHER
3 PROVISION OF LAW TO THE CONTRARY, ANY PROPERTY TAX REBATE
4 RECEIVED UNDER THIS ARTICLE SHALL NOT BE CONSIDERED "INCOME" FOR
5 PURPOSES OF DETERMINING ELIGIBILITY FOR ANY STATE GOVERNMENT
6 PROGRAM, INCLUDING, BUT NOT LIMITED TO, THOSE PROGRAMS
7 AUTHORIZED BY THE ACT OF MARCH 11, 1971 (P.L.104, NO.3), KNOWN
8 AS THE "SENIOR CITIZENS REBATE AND ASSISTANCE ACT," OR CHAPTER 5
9 OF THE ACT OF AUGUST 26, 1971 (P.L.351, NO.91), KNOWN AS THE
10 "STATE LOTTERY LAW."

11 SECTION 2909-B. REAL PROPERTY TAX PROHIBITION.--SCHOOL
12 DISTRICTS SHALL NOT LEVY REAL PROPERTY TAX FOR ANY PURPOSE.

13 SECTION 19. THE DEPARTMENT OF COMMUNITY AND ECONOMIC
14 DEVELOPMENT SHALL HAVE THE AUTHORITY TO IMPLEMENT EMERGENCY
15 REGULATIONS AND PROCEDURES SO THAT IT CAN ACCEPT APPLICATIONS
16 FOR TAX BENEFIT PAYMENTS AS PROVIDED IN SECTIONS 1703-C AND
17 1704-C OF THE ACT. EMERGING TECHNOLOGY AND BIOTECHNOLOGY
18 COMPANIES CAN APPLY FOR REPURCHASE OF ANY NET OPERATING LOSS
19 ALLOWANCES TO WHICH THEY ARE ENTITLED ON THE EFFECTIVE DATE OF
20 THIS ACT.

21 SECTION 20. THE SUM OF \$10,000,000 IS HEREBY APPROPRIATED TO
22 THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT FOR THE
23 FISCAL YEAR JULY 1, 2000, TO JUNE 30, 2001, TO CARRY OUT THE
24 PURPOSES OF ARTICLE XVII-C OF THE ACT.

25 SECTION 21. SECTION 1303 OF THE ACT OF OCTOBER 18, 1988
26 (P.L.756, NO.108), KNOWN AS THE HAZARDOUS SITES CLEANUP ACT, IS
27 REPEALED.

28 SECTION 22. THIS ACT SHALL APPLY AS FOLLOWS:

29 (1) THE AMENDMENT OF SECTION 301(D) OF THE ACT SHALL
30 APPLY TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1998.

1 (2) THE FOLLOWING PROVISIONS SHALL APPLY TO TAXABLE
2 YEARS BEGINNING AFTER DECEMBER 31, 1999:

3 (I) THE ADDITION OF SECTION 301(C.1A) OF THE ACT.

4 (II) THE AMENDMENT OF SECTION 304(D)(1) OF THE ACT.

5 (III) THE ADDITION OF SECTION 314.1 OF THE ACT.

6 (IV) THE AMENDMENT OF SECTION 401(3)2(A)(9) OF THE
7 ACT.

8 (V) THE AMENDMENT OF SECTION 602(A), (B), (E), (F),
9 (G), (H) AND (I) OF THE ACT.

10 (VI) THE AMENDMENT OF SECTION 602.5 OF THE ACT.

11 (VII) THE AMENDMENT OF SECTION 1709-B OF THE ACT.

12 (VIII) THE ADDITION OF ARTICLE XIX-B OF THE ACT.

13 (3) THE ADDITION OF SECTION 2116(A)(1.2) OF THE ACT
14 SHALL APPLY TO THE ESTATES OF DECEDENTS DYING AFTER DECEMBER
15 31, 1999.

16 (4) THE FOLLOWING PROVISIONS SHALL APPLY TO THE ESTATES
17 OF DECEDENTS DYING AFTER JUNE 30, 2000:

18 (I) THE ADDITION OF SECTION 2111(S) OF THE ACT.

19 (II) THE REPEAL OF SECTION 2117 OF THE ACT.

20 (5) THE ADDITION OF SECTION 2111(S) OF THE ACT SHALL
21 APPLY TO TRANSFERS MADE BY DECEDENTS DYING AFTER JUNE 30,
22 2000, REGARDLESS OF THE DATE OF TRANSFER.

23 SECTION 23. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

24 (1) THE ADDITION OF ARTICLE XIX-B OF THE ACT SHALL TAKE
25 EFFECT IN 60 DAYS.

26 (2) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT JULY 1,
27 2000, OR IMMEDIATELY, WHICHEVER IS LATER:

28 (I) THE AMENDMENT OF SECTION 2106 OF THE ACT.

29 (II) THE ADDITION OF SECTION 2111(S) OF THE ACT.

30 (3) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT

1 IMMEDIATELY.