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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 230 Session of  
2003

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INTRODUCED BY CALTAGIRONE, LEDERER, JAMES, CREIGHTON, S. MILLER,  
COY, THOMAS, R. STEVENSON, BELFANTI, LAUGHLIN, HORSEY,  
GEORGE, MARKOSEK, WALKO, MELIO, DALEY, BROWNE, HUTCHINSON,  
SATHER, YEWIC, HARHAI, HENNESSEY, GRUCELA, KIRKLAND,  
GOODMAN, PETRARCA AND PALLONE, FEBRUARY 11, 2003

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REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 11, 2003

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AN ACT

1 Providing for a tax credit for certain employers who employ at  
2 least five additional full-time employees during the tax  
3 year.

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

6 Section 1. Short title.

7 This act shall be known and may be cited as the Exemption of  
8 Tax on Employers of New or Laid-off Employees Act.

9 Section 2. Definitions.

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

13 "Employer." Any of the following:

14 (1) A sole proprietor who, as of January 1 of a taxable  
15 year, employed fewer than 51 full-time employees.

16 (2) An unincorporated association which, as of January 1  
17 of a taxable year, employed fewer than 51 full-time

employees.

(3) A corporation which, as of January 1 of a taxable year, employed fewer than 51 full-time employees.

#### Section 3. Exemption.

(a) Qualification.--An employer that hires or rehires at least five new or laid-off full-time employees during a taxable year is exempt for that taxable year from payment of the tax indicated in subsection (b).

#### (b) Taxes.--

(1) If the employer is a sole proprietor, the employer is exempt from payment of tax under Article III of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, on the employer's income from the business.

(2) If the employer is an unincorporated association, the members of the association are exempt from payment of tax under Article III of the Tax Reform Code of 1971 on their income from the unincorporated association.

(3) If the employer is a corporation, the employer is exempt from payment of corporate net income tax under Article IV of the Tax Reform Code of 1971.

#### Section 4. Limitation.

The amount of tax exemption under this act shall not exceed the amount of salary paid to the new or rehired full-time employees during the tax year.

#### Section 5. Applicability.

This act shall apply to taxable years beginning on or after January 1, 2003.

#### Section 6. Expiration.

This act shall expire in seven years.

#### Section 20. Effective date.

1        This act shall take effect in 60 days.