

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 447 Session of  
2003

INTRODUCED BY GREENLEAF, LEMMOND, MUSTO, WENGER, TARTAGLIONE,  
TOMLINSON, SCHWARTZ, DENT, ERICKSON, WAUGH, COSTA, STACK AND  
KASUNIC, MARCH 11, 2003

REFERRED TO FINANCE, MARCH 11, 2003

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An  
2 act relating to tax reform and State taxation by codifying  
3 and enumerating certain subjects of taxation and imposing  
4 taxes thereon; providing procedures for the payment,  
5 collection, administration and enforcement thereof; providing  
6 for tax credits in certain cases; conferring powers and  
7 imposing duties upon the Department of Revenue, certain  
8 employers, fiduciaries, individuals, persons, corporations  
9 and other entities; prescribing crimes, offenses and  
10 penalties," providing for a child-care tax credit.

11 The General Assembly of the Commonwealth of Pennsylvania  
12 hereby enacts as follows:

13 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as  
14 the Tax Reform Code of 1971, is amended by adding an article to  
15 read:

16 ARTICLE XXII

17 CHILD-CARE TAX CREDIT

18 Section 2201. Short Title.--This article shall be known and  
19 may be cited as the Child-Care Tax Credit Act.

20 Section 2202. Definitions.--The following words, terms and  
21 phrases, when used in this article, shall have the meanings

1 ascribed to them in this section, except where the context  
2 clearly indicates otherwise:

3 "Business firm." A corporation, partnership or sole  
4 proprietorship authorized to do business in this Commonwealth  
5 and subject to any of the taxes imposed by Article III, IV, VI,  
6 VII, VIII, IX or XV of this act.

7 "Contributions." Net payments made to a child-care program  
8 not operated by the business firm for child-care services for  
9 children of employes of the business firm.

10 "Credit." The child-care tax credit.

11 "Net costs." Amounts, exclusive of start-up expenses,  
12 expended for the operation of a child-care program reduced by  
13 the fees or charges paid by the users of the child-care program  
14 services.

15 Section 2203. Authorization of Credit.--(a) A business firm  
16 that operates its own child-care program which has been issued a  
17 valid license by the Department of Public Welfare shall be  
18 eligible for the tax credit.

19 (b) A business firm which makes contributions to a child-  
20 care program not operated by the business firm which has been  
21 issued a valid license by the Department of Public Welfare shall  
22 be eligible for the tax credit.

23 Section 2204. Calculation of Credit.--(a) The amount of the  
24 tax credit available to a business firm which qualifies under  
25 this article and operates its own not-for-profit child-care  
26 program shall be equal to one hundred per cent of the net costs  
27 expended for the operation and maintenance of the child-care  
28 program.

29 (b) The amount of the tax credit available to a business  
30 firm which qualifies under this article and contributes to a

1 child-care program not operated by the business firm shall be  
2 equal to one hundred per cent of the contributions made by the  
3 business firm to the child-care program.

4 Section 2205. Taxes Against Which Credit May be Taken.--(a)  
5 Except as provided in subsection (b), the tax credit provided  
6 for in this article may be applied against any tax due under  
7 Article III, IV, VI, VII, VIII, IX or XV of this act.

8 (b) The tax credit provided for in this article shall not be  
9 applied against employer withholding taxes required under  
10 Article III of this act.

11 Section 2206. Powers and Duties.--In addition to those  
12 powers created by any other act, the Secretary of Revenue shall  
13 have the power and it shall be the secretary's duty to:

14 (1) Promulgate and publish any rules and regulations which  
15 may be required to implement this article.

16 (2) Publish as a notice in the Pennsylvania Bulletin forms  
17 upon which taxpayers may apply for the tax credit authorized by  
18 this article.

19 Section 2. This act shall apply to the taxable year  
20 beginning January 1, 2004.

21 Section 3. This act shall take effect immediately.