

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 704 Session of
2007

INTRODUCED BY SANTONI, CALTAGIRONE, CAPPELLI, CARROLL, DERMODY,
EVERETT, FRANKEL, GEIST, GEORGE, GIBBONS, GOODMAN, GRUCELA,
HENNESSEY, HERSHEY, KIRKLAND, KOTIK, MANDERINO, MANN, MUNDY,
M. O'BRIEN, PETRARCA, PETRONE, RAYMOND, READSHAW, REICHLEY,
SOLOBAY, STERN, R. STEVENSON, SURRA, J. TAYLOR, THOMAS,
WALKO, WHEATLEY, YOUNGBLOOD, YUDICHAK, BOYD AND FREEMAN,
MARCH 9, 2007

REFERRED TO COMMITTEE ON FINANCE, MARCH 9, 2007

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 a tax credit to corporations that
11 provide child day-care facilities or subsidies for their
12 employees.

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

15 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as
16 the Tax Reform Code of 1971, is amended by adding a section to
17 read:

18 Section 402.3. Tax Credits for Child Day-Care Services.--(a)
19 Any corporation required to pay the taxes imposed under section
20 402 may receive a tax credit of fifty per cent against the taxes

1 due under this article for any moneys expended for the
2 following:

3 (1) the planning, site preparation, construction, renovation
4 or acquisition of a nonprofit child day-care facility used
5 principally by the employes of the corporation, so long as no
6 one corporation receives more than twenty thousand dollars
7 (\$20,000) in tax credits and the department allows no more than
8 five hundred thousand dollars (\$500,000) in total tax credits to
9 corporations that apply each tax year; or

10 (2) subsidizing employes of the corporation for the cost of
11 child day-care services so long as no one corporation receives
12 more than fifty thousand dollars (\$50,000) in tax credits and
13 the department allows no more than five hundred thousand dollars
14 (\$500,000) in total tax credits to corporations that apply each
15 tax year. The gross maximum annual income of an employe
16 subsidized under this section shall not exceed fifty thousand
17 dollars (\$50,000). The maximum annual amount of a subsidy for
18 child day-care services provided by a corporation on behalf of
19 an employe shall not exceed five thousand dollars (\$5,000).

20 (b) Child day-care services eligible for tax credits shall
21 include services provided by an approved family child day-care
22 home, group child day-care home, child day-care center, nursery
23 school or child day-care resource and referral program.

24 (c) The Secretary of Revenue, in consultation with the
25 Secretary of Public Welfare, shall:

26 (1) Promulgate rules and regulations necessary to implement
27 this section.

28 (2) Publish, as a notice in the Pennsylvania Bulletin, forms
29 upon which corporations may apply for the tax credit authorized
30 by this section within six months of the effective date of this

1 section.

2 (d) (1) Applications for tax credits shall be filed by
3 corporations not later than January 31 of the next calendar year
4 for credits due during the preceding calendar year.

5 (2) Not later than June 1 of each year, each corporation
6 that has filed a complete application for credits under this
7 section shall be notified regarding the amount of credits
8 awarded to the corporation. An application shall be deemed
9 complete and processible only if it is signed and contains the
10 corporation's name, address, tax identification number and
11 sufficient other information and documentation necessary to
12 determine the amount of the credit.

13 Section 2. This act shall take effect in 60 days.