

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1191 Session of  
2007

INTRODUCED BY CALTAGIRONE, BELFANTI, BOYD, BROOKS, CAPPELLI,  
CONKLIN, CREIGHTON, DALEY, DePASQUALE, ELLIS, EVERETT,  
FABRIZIO, FAIRCHILD, GEIST, GEORGE, GIBBONS, GINGRICH,  
GRUCELA, HARHAI, HARKINS, HENNESSEY, HERSHEY, HORNAMAN,  
JAMES, JOSEPHS, KILLION, KIRKLAND, KORTZ, KOTIK, LEACH,  
MARKOSEK, McCALL, McILHATTAN, MOYER, MURT, MUSTIO, PALLONE,  
PETRARCA, PETRONE, PYLE, RAYMOND, READSHAW, REICHLEY,  
SAINATO, SCAVELLO, R. STEVENSON AND WALKO, MAY 4, 2007

REFERRED TO COMMITTEE ON FINANCE, MAY 4, 2007

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.

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

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

6       Section 3. Exemption.

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

11      (b) Taxes.--

12           (1) If the employer is a sole proprietor, the employer  
13       is exempt from payment of tax under Article III of the act of  
14       March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of  
15       1971, on the employer's income from the business.

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

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

23      Section 4. Limitation.

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

27      Section 5. Applicability.

28       This act shall apply to taxable years beginning on or after  
29       January 1, 2007.

30      Section 6. Expiration.

- 1        This act shall expire in seven years.
- 2    Section 20.    Effective date.
- 3        This act shall take effect in 60 days.