

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2250 Session of 2008

INTRODUCED BY LEVDANSKY, R. TAYLOR, CAPPELLI, SEIP, NICKOL, SANTONI, REED, FRANKEL, BOYD, STURLA, MANN, BELFANTI, CALTAGIRONE, DeLUCA, DePASQUALE, GEIST, HARHAI, HARKINS, HENNESSEY, HUTCHINSON, LONGIETTI, MARKOSEK, MUSTIO, PETRARCA, RAMALEY, READSHAW, REICHLEY, RUBLEY, SIPTROTH, SURRA, THOMAS, WALKO, YUDICHAK, YOUNGBLOOD, LEACH, GRUCELA, MYERS, McCALL, FREEMAN, HARPER, MOYER, SAINATO, KORTZ AND SCHRODER, MARCH 12, 2008

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, JUNE 9, 2008

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," further providing for the carryover of the~~
11 ~~research and development tax credit; and increasing the~~
12 ~~annual limitation on credits.~~

13 AMENDING THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), ENTITLED "AN <—
14 ACT RELATING TO TAX REFORM AND STATE TAXATION BY CODIFYING
15 AND ENUMERATING CERTAIN SUBJECTS OF TAXATION AND IMPOSING
16 TAXES THEREON; PROVIDING PROCEDURES FOR THE PAYMENT,
17 COLLECTION, ADMINISTRATION AND ENFORCEMENT THEREOF; PROVIDING
18 FOR TAX CREDITS IN CERTAIN CASES; CONFERRING POWERS AND
19 IMPOSING DUTIES UPON THE DEPARTMENT OF REVENUE, CERTAIN
20 EMPLOYERS, FIDUCIARIES, INDIVIDUALS, PERSONS, CORPORATIONS
21 AND OTHER ENTITIES; PRESCRIBING CRIMES, OFFENSES AND
22 PENALTIES," INCREASING THE INCOME ALLOWANCE FOR DEPENDENTS
23 FOR THE SPECIAL TAX PROVISIONS FOR POVERTY; FURTHER PROVIDING
24 FOR THE DEFINITION OF "TAXABLE INCOME" FOR CORPORATE NET
25 INCOME TAX PURPOSES; FURTHER PROVIDING FOR THE DEFINITION OF
26 "CAPITAL STOCK VALUE" FOR CAPITAL STOCK AND FRANCHISE TAX
27 PURPOSES; FURTHER PROVIDING FOR THE CARRYOVER OF THE RESEARCH

1 AND DEVELOPMENT TAX CREDIT AND INCREASING THE ANNUAL
2 LIMITATION ON CREDITS; PROVIDING FOR A YOUTH EMPLOYMENT
3 INCENTIVE TAX CREDIT; AND FURTHER PROVIDING FOR THE NEW JOBS
4 TAX CREDIT.

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

7 ~~Section 1. Section 1704 B of the act of March 4, 1971~~ <—
8 ~~(P.L.6, No.2), known as the Tax Reform Code of 1971, amended~~
9 ~~December 23, 2003 (P.L.250, No.46), is amended to read:~~

10 ~~Section 1704 B. Carryover, Carryback, Refund and Assignment~~
11 ~~of Credit. (a) If the taxpayer, purchaser or assignee cannot~~
12 ~~use the entire amount of the research and development tax credit~~
13 ~~for the taxable year in which the research and development tax~~
14 ~~credit is first approved, purchased or assigned, then the excess~~
15 ~~may be carried over to succeeding taxable years and used as a~~
16 ~~credit against the qualified tax liability of the taxpayer for~~
17 ~~those taxable years. Each time that the research and development~~
18 ~~tax credit is carried over to a succeeding taxable year, it is~~
19 ~~to be reduced by the amount that was used as a credit during the~~
20 ~~immediately preceding taxable year. The research and development~~
21 ~~tax credit provided by this article may be carried over and~~
22 ~~applied to succeeding taxable years for no more than fifteen~~
23 ~~taxable years following the first taxable year for which the~~
24 ~~taxpayer was entitled to claim the credit.~~

25 ~~(b) A research and development tax credit approved by the~~
26 ~~department for Pennsylvania qualified research and development~~
27 ~~expense in a taxable year first shall be applied against the~~
28 ~~taxpayer's qualified tax liability for the current taxable year~~
29 ~~as of the date on which the credit was approved before the~~
30 ~~research and development tax credit is applied against any tax~~
31 ~~liability under subsection (a).~~

1 ~~(c) A taxpayer, purchaser or assignee is not entitled to~~
2 ~~carry back or obtain a refund of an unused research and~~
3 ~~development tax credit.~~

4 ~~(d) A taxpayer, upon application to and approval by the~~
5 ~~Department of Community and Economic Development, may sell or~~
6 ~~assign, in whole or in part, a research and development tax~~
7 ~~credit granted to the taxpayer under this article if no claim~~
8 ~~for allowance of the credit is filed [within one year] from the~~
9 ~~date the credit is approved by the department under section~~
10 ~~1703 B. The Department of Community and Economic Development~~
11 ~~shall establish guidelines for the approval of applications~~
12 ~~under this subsection.~~

13 ~~(e) The purchaser or assignee of a portion of a research and~~
14 ~~development tax credit under subsection (d) shall immediately~~
15 ~~claim the credit in the taxable year in which the purchase or~~
16 ~~assignment is made. The amount of the research and development~~
17 ~~credit that a purchaser or assignee may use against any one~~
18 ~~qualified tax liability may not exceed seventy five per cent of~~
19 ~~such qualified tax liability for the taxable year. The purchaser~~
20 ~~or assignee may not [carry over,] carry back, obtain a refund of~~
21 ~~or assign the research and development tax credit. The purchaser~~
22 ~~or assignee shall notify the department of the seller or~~
23 ~~assignor of the research and development tax credit in~~
24 ~~compliance with procedures specified by the department.~~

25 ~~Section 2. Section 1709 B(a) of the act, amended July 12,~~
26 ~~2006 (P.L.1137, No.116), is amended to read:~~

27 ~~Section 1709 B. Limitation on Credits. (a) The total~~
28 ~~amount of credits approved by the department shall not exceed~~
29 ~~{forty million dollars (\$40,000,000)} seventy five million~~
30 ~~dollars (\$75,000,000) in any fiscal year. Of that amount, [eight~~

1 million dollars (~~\$8,000,000~~) fifteen million dollars
2 (\$15,000,000) shall be allocated exclusively for small
3 businesses. However, if the total amounts allocated to either
4 the group of applicants exclusive of small businesses or the
5 group of small business applicants is not approved in any fiscal
6 year, the unused portion will become available for use by the
7 other group of qualifying taxpayers.

8 * * *

9 Section 3. This act shall apply to taxable years beginning
10 after December 31, 2007.

11 Section 4. This act shall take effect immediately.

12 SECTION 1. SECTION 304(D) OF THE ACT OF MARCH 4, 1971
13 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, AMENDED
14 DECEMBER 23, 2003 (P.L.250, NO.46), IS AMENDED TO READ:

<—

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

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

18 (1) IF THE POVERTY INCOME OF THE CLAIMANT DURING AN ENTIRE
19 TAXABLE YEAR IS SIX THOUSAND FIVE HUNDRED DOLLARS (\$6,500) OR
20 LESS, OR, IN THE CASE OF A MARRIED CLAIMANT, IF THE JOINT
21 POVERTY INCOME OF THE CLAIMANT AND THE CLAIMANT'S SPOUSE DURING
22 AN ENTIRE TAXABLE YEAR IS THIRTEEN THOUSAND DOLLARS (\$13,000) OR
23 LESS, THE CLAIMANT SHALL BE ENTITLED TO A REFUND OR FORGIVENESS
24 OF ANY MONEYS WHICH HAVE BEEN PAID OVER TO (OR WOULD EXCEPT FOR
25 THE PROVISIONS OF THIS ACT BE PAYABLE TO) THE COMMONWEALTH UNDER
26 THE PROVISIONS OF THIS ARTICLE, WITH AN ADDITIONAL INCOME
27 ALLOWANCE OF [NINE THOUSAND FIVE HUNDRED DOLLARS (\$9,500)] TEN
28 THOUSAND FIVE HUNDRED DOLLARS (\$10,500) FOR EACH DEPENDENT OF
29 THE CLAIMANT. FOR PURPOSES OF THIS SUBSECTION, A CLAIMANT SHALL
30 NOT BE CONSIDERED TO BE MARRIED IF:

1 (I) THE CLAIMANT AND THE CLAIMANT'S SPOUSE FILE SEPARATE
2 RETURNS; AND

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

6 (2) IF THE POVERTY INCOME OF THE CLAIMANT DURING AN ENTIRE
7 TAXABLE YEAR DOES NOT EXCEED THE POVERTY INCOME LIMITATIONS
8 PRESCRIBED BY CLAUSE (1) BY MORE THAN THE DOLLAR CATEGORY
9 CONTAINED IN SUBCLAUSES (I), (II), (III), (IV), (V), (VI),
10 (VII), (VIII) OR (IX) OF THIS CLAUSE, THE CLAIMANT SHALL BE
11 ENTITLED TO A REFUND OR FORGIVENESS BASED ON THE PER CENTAGE
12 PRESCRIBED IN SUCH SUBCLAUSES OF ANY MONEYS WHICH HAVE BEEN PAID
13 OVER TO (OR WOULD HAVE BEEN EXCEPT FOR THE PROVISIONS HEREIN BE
14 PAYABLE TO) THE COMMONWEALTH UNDER THIS ARTICLE:

15 (I) NINETY PER CENT IF NOT IN EXCESS OF TWO HUNDRED FIFTY
16 DOLLARS (\$250).

17 (II) EIGHTY PER CENT IF NOT IN EXCESS OF FIVE HUNDRED
18 DOLLARS (\$500).

19 (III) SEVENTY PER CENT IF NOT IN EXCESS OF SEVEN HUNDRED
20 FIFTY DOLLARS (\$750).

21 (IV) SIXTY PER CENT IF NOT IN EXCESS OF ONE THOUSAND DOLLARS
22 (\$1,000).

23 (V) FIFTY PER CENT IF NOT IN EXCESS OF ONE THOUSAND TWO
24 HUNDRED FIFTY DOLLARS (\$1,250).

25 (VI) FORTY PER CENT IF NOT IN EXCESS OF ONE THOUSAND FIVE
26 HUNDRED DOLLARS (\$1,500).

27 (VII) THIRTY PER CENT IF NOT IN EXCESS OF ONE THOUSAND SEVEN
28 HUNDRED FIFTY DOLLARS (\$1,750).

29 (VIII) TWENTY PER CENT IF NOT IN EXCESS OF TWO THOUSAND
30 DOLLARS (\$2,000).

1 (IX) TEN PER CENT IF NOT IN EXCESS OF TWO THOUSAND TWO
2 HUNDRED FIFTY DOLLARS (\$2,250).

3 (3) IF AN INDIVIDUAL HAS A TAXABLE YEAR OF LESS THAN TWELVE
4 MONTHS, THE POVERTY INCOME THEREOF SHALL BE ANNUALIZED IN SUCH
5 MANNER AS THE DEPARTMENT MAY PRESCRIBE.

6 SECTION 2. SECTION 401(3)2(A)(9) AND (4)(C) OF THE ACT,
7 AMENDED JULY 12, 2006 (P.L.1137, NO.116), ARE AMENDED TO READ:

8 SECTION 401. DEFINITIONS.--THE FOLLOWING WORDS, TERMS, AND
9 PHRASES, WHEN USED IN THIS ARTICLE, SHALL HAVE THE MEANING
10 ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT
11 CLEARLY INDICATES A DIFFERENT MEANING:

12 * * *

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

14 2. IN CASE THE ENTIRE BUSINESS OF ANY CORPORATION, OTHER
15 THAN A CORPORATION ENGAGED IN DOING BUSINESS AS A REGULATED
16 INVESTMENT COMPANY AS DEFINED BY THE INTERNAL REVENUE CODE OF
17 1986, IS NOT TRANSACTED WITHIN THIS COMMONWEALTH, THE TAX
18 IMPOSED BY THIS ARTICLE SHALL BE BASED UPON SUCH PORTION OF THE
19 TAXABLE INCOME OF SUCH CORPORATION FOR THE FISCAL OR CALENDAR
20 YEAR, AS DEFINED IN SUBCLAUSE 1 HEREOF, AND MAY BE DETERMINED AS
21 FOLLOWS:

22 (A) DIVISION OF INCOME.

23 * * *

24 (9) (A) EXCEPT AS PROVIDED IN SUBPARAGRAPH (B):

25 (I) FOR TAXABLE YEARS BEGINNING BEFORE JANUARY 1, 2007, ALL
26 BUSINESS INCOME SHALL BE APPORTIONED TO THIS STATE BY
27 MULTIPLYING THE INCOME BY A FRACTION, THE NUMERATOR OF WHICH IS
28 THE PROPERTY FACTOR PLUS THE PAYROLL FACTOR PLUS THREE TIMES THE
29 SALES FACTOR AND THE DENOMINATOR OF WHICH IS FIVE.

30 (II) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2006,

1 THROUGH DECEMBER 31, 2007, ALL BUSINESS INCOME SHALL BE
2 APPORTIONED TO THIS STATE BY MULTIPLYING THE INCOME BY A
3 FRACTION, THE NUMERATOR OF WHICH IS THE SUM OF FIFTEEN TIMES THE
4 PROPERTY FACTOR, FIFTEEN TIMES THE PAYROLL FACTOR AND SEVENTY
5 TIMES THE SALES FACTOR AND THE DENOMINATOR OF WHICH IS ONE
6 HUNDRED.

7 (III) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2007,
8 ALL BUSINESS INCOME SHALL BE APPORTIONED TO THIS STATE BY
9 MULTIPLYING THE INCOME BY A FRACTION, THE NUMERATOR OF WHICH IS
10 THE SUM OF TEN TIMES THE PROPERTY FACTOR, TEN TIMES THE PAYROLL
11 FACTOR AND EIGHTY TIMES THE SALES FACTOR AND THE DENOMINATOR OF
12 WHICH IS ONE HUNDRED.

13 (B) FOR PURPOSES OF APPORTIONMENT OF THE CAPITAL STOCK -
14 FRANCHISE TAX AS PROVIDED IN SECTION 602 OF ARTICLE VI OF THIS
15 ACT, THE APPORTIONMENT FRACTION SHALL BE THE PROPERTY FACTOR
16 PLUS THE PAYROLL FACTOR PLUS THE SALES FACTOR AS THE NUMERATOR,
17 AND THE DENOMINATOR SHALL BE THREE.

18 * * *

19 (4) * * *

20 (C) (1) THE NET LOSS DEDUCTION SHALL BE THE LESSER OF:

21 (A) (I) FOR TAXABLE YEARS BEGINNING BEFORE JANUARY 1, 2007,
22 TWO MILLION DOLLARS (\$2,000,000);

23 (II) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2006,
24 AND THROUGH DECEMBER 31, 2007, THE GREATER OF TWELVE AND ONE-
25 HALF PER CENT OF TAXABLE INCOME AS DETERMINED UNDER SUBCLAUSE 1
26 OR, IF APPLICABLE, SUBCLAUSE 2 OR THREE MILLION DOLLARS
27 (\$3,000,000); [OR]

28 (III) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2007,
29 THE GREATER OF FIFTEEN PER CENT OF TAXABLE INCOME AS DETERMINED
30 UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR FIVE MILLION

1 DOLLARS (\$5,000,000); OR

2 (B) THE AMOUNT OF THE NET LOSS OR LOSSES WHICH MAY BE
3 CARRIED OVER TO THE TAXABLE YEAR OR TAXABLE INCOME AS DETERMINED
4 UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2.

5 (1.1) IN NO EVENT SHALL THE NET LOSS DEDUCTION INCLUDE MORE
6 THAN FIVE HUNDRED THOUSAND DOLLARS (\$500,000), IN THE AGGREGATE,
7 OF NET LOSSES FROM TAXABLE YEARS 1988 THROUGH 1994.

8 (2) (A) A NET LOSS FOR A TAXABLE YEAR MAY ONLY BE CARRIED
9 OVER PURSUANT TO THE FOLLOWING SCHEDULE:

10	TAXABLE YEAR	CARRYOVER
11	1981	1 TAXABLE YEAR
12	1982	2 TAXABLE YEARS
13	1983-1987	3 TAXABLE YEARS
14	1988	2 TAXABLE YEARS PLUS
15		1 TAXABLE YEAR
16		STARTING WITH THE
17		1995 TAXABLE YEAR
18	1989	1 TAXABLE YEAR PLUS
19		2 TAXABLE YEARS
20		STARTING WITH THE
21		1995 TAXABLE YEAR
22	1990-1993	3 TAXABLE YEARS
23		STARTING WITH THE
24		1995 TAXABLE YEAR
25	1994	1 TAXABLE YEAR
26	1995-1997	10 TAXABLE YEARS
27	1998 AND THEREAFTER	20 TAXABLE YEARS

28 (B) THE EARLIEST NET LOSS SHALL BE CARRIED OVER TO THE
29 EARLIEST TAXABLE YEAR TO WHICH IT MAY BE CARRIED UNDER THIS
30 SCHEDULE. THE TOTAL NET LOSS DEDUCTION ALLOWED IN ANY TAXABLE

1 YEAR SHALL NOT EXCEED:

2 (I) TWO MILLION DOLLARS (\$2,000,000) FOR TAXABLE YEARS
3 BEGINNING BEFORE JANUARY 1, 2007.

4 (II) THE GREATER OF TWELVE AND ONE-HALF PER CENT OF THE
5 TAXABLE INCOME AS DETERMINED UNDER SUBCLAUSE 1 OR, IF
6 APPLICABLE, SUBCLAUSE 2 OR THREE MILLION DOLLARS (\$3,000,000)
7 FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2006[.], AND
8 BEFORE JANUARY 1, 2008.

9 (III) THE GREATER OF FIFTEEN PER CENT OF THE TAXABLE INCOME
10 AS DETERMINED UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2
11 OR FIVE MILLION DOLLARS (\$5,000,000) FOR TAXABLE YEARS BEGINNING
12 AFTER DECEMBER 31, 2007.

13 * * *

14 SECTION 3. THE DEFINITION OF "CAPITAL STOCK VALUE" IN
15 SECTION 601 OF THE ACT, AMENDED JULY 6, 2006 (P.L.319, NO.67),
16 IS AMENDED TO READ:

17 SECTION 601. DEFINITIONS AND REPORTS.--(A) THE FOLLOWING
18 WORDS, TERMS AND PHRASES WHEN USED IN THIS ARTICLE VI SHALL HAVE
19 THE MEANING ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE
20 CONTEXT CLEARLY INDICATES A DIFFERENT MEANING:

21 * * *

22 "CAPITAL STOCK VALUE." THE AMOUNT COMPUTED PURSUANT TO THE
23 FOLLOWING FORMULA: THE PRODUCT OF ONE-HALF TIMES THE SUM OF THE
24 AVERAGE NET INCOME CAPITALIZED AT THE RATE OF NINE AND ONE-HALF
25 PER CENT PLUS SEVENTY-FIVE PER CENT OF NET WORTH, FROM WHICH
26 PRODUCT SHALL BE SUBTRACTED [ONE HUNDRED FIFTY THOUSAND DOLLARS
27 (\$150,000)] THREE HUNDRED THOUSAND DOLLARS (\$300,000), THE
28 ALGEBRAIC EQUIVALENT OF WHICH IS

29 $(.5 \times (\text{AVERAGE NET INCOME} / .095 + (.75)$
30 $(\text{NET WORTH})) - [\$150,000] \underline{\$300,000}$

1 * * *

2 SECTION 4. SECTION 1704-B OF THE ACT, AMENDED DECEMBER 23,
3 2003 (P.L.250, NO.46), IS AMENDED TO READ:

4 SECTION 1704-B. CARRYOVER, CARRYBACK, REFUND AND ASSIGNMENT
5 OF CREDIT.--(A) IF THE TAXPAYER, PURCHASER OR ASSIGNEE CANNOT
6 USE THE ENTIRE AMOUNT OF THE RESEARCH AND DEVELOPMENT TAX CREDIT
7 FOR THE TAXABLE YEAR IN WHICH THE RESEARCH AND DEVELOPMENT TAX
8 CREDIT IS FIRST APPROVED, PURCHASED OR ASSIGNED, THEN THE EXCESS
9 MAY BE CARRIED OVER TO SUCCEEDING TAXABLE YEARS AND USED AS A
10 CREDIT AGAINST THE QUALIFIED TAX LIABILITY OF THE TAXPAYER FOR
11 THOSE TAXABLE YEARS. EACH TIME THAT THE RESEARCH AND DEVELOPMENT
12 TAX CREDIT IS CARRIED OVER TO A SUCCEEDING TAXABLE YEAR, IT IS
13 TO BE REDUCED BY THE AMOUNT THAT WAS USED AS A CREDIT DURING THE
14 IMMEDIATELY PRECEDING TAXABLE YEAR. THE RESEARCH AND DEVELOPMENT
15 TAX CREDIT PROVIDED BY THIS ARTICLE MAY BE CARRIED OVER AND
16 APPLIED TO SUCCEEDING TAXABLE YEARS FOR NO MORE THAN FIFTEEN
17 TAXABLE YEARS FOLLOWING THE FIRST TAXABLE YEAR FOR WHICH THE
18 TAXPAYER WAS ENTITLED TO CLAIM THE CREDIT.

19 (B) A RESEARCH AND DEVELOPMENT TAX CREDIT APPROVED BY THE
20 DEPARTMENT FOR PENNSYLVANIA QUALIFIED RESEARCH AND DEVELOPMENT
21 EXPENSE IN A TAXABLE YEAR FIRST SHALL BE APPLIED AGAINST THE
22 TAXPAYER'S QUALIFIED TAX LIABILITY FOR THE CURRENT TAXABLE YEAR
23 AS OF THE DATE ON WHICH THE CREDIT WAS APPROVED BEFORE THE
24 RESEARCH AND DEVELOPMENT TAX CREDIT IS APPLIED AGAINST ANY TAX
25 LIABILITY UNDER SUBSECTION (A).

26 (C) A TAXPAYER, PURCHASER OR ASSIGNEE IS NOT ENTITLED TO
27 CARRY BACK OR OBTAIN A REFUND OF AN UNUSED RESEARCH AND
28 DEVELOPMENT TAX CREDIT.

29 (D) A TAXPAYER, UPON APPLICATION TO AND APPROVAL BY THE
30 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, MAY SELL OR

1 ASSIGN, IN WHOLE OR IN PART, A RESEARCH AND DEVELOPMENT TAX
2 CREDIT GRANTED TO THE TAXPAYER UNDER THIS ARTICLE IF NO CLAIM
3 FOR ALLOWANCE OF THE CREDIT IS FILED [WITHIN ONE YEAR] FROM THE
4 DATE THE CREDIT IS APPROVED BY THE DEPARTMENT UNDER SECTION
5 1703-B. THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
6 SHALL ESTABLISH GUIDELINES FOR THE APPROVAL OF APPLICATIONS
7 UNDER THIS SUBSECTION.

8 (E) THE PURCHASER OR ASSIGNEE OF A PORTION OF A RESEARCH AND
9 DEVELOPMENT TAX CREDIT UNDER SUBSECTION (D) SHALL IMMEDIATELY
10 CLAIM THE CREDIT IN THE TAXABLE YEAR IN WHICH THE PURCHASE OR
11 ASSIGNMENT IS MADE. THE AMOUNT OF THE RESEARCH AND DEVELOPMENT
12 CREDIT THAT A PURCHASER OR ASSIGNEE MAY USE AGAINST ANY ONE
13 QUALIFIED TAX LIABILITY MAY NOT EXCEED SEVENTY-FIVE PER CENT OF
14 SUCH QUALIFIED TAX LIABILITY FOR THE TAXABLE YEAR. THE PURCHASER
15 OR ASSIGNEE MAY NOT [CARRY OVER,] CARRY BACK, OBTAIN A REFUND OF
16 OR ASSIGN THE RESEARCH AND DEVELOPMENT TAX CREDIT. THE PURCHASER
17 OR ASSIGNEE SHALL NOTIFY THE DEPARTMENT OF THE SELLER OR
18 ASSIGNOR OF THE RESEARCH AND DEVELOPMENT TAX CREDIT IN
19 COMPLIANCE WITH PROCEDURES SPECIFIED BY THE DEPARTMENT.

20 SECTION 5. SECTION 1709-B(A) OF THE ACT, AMENDED JULY 12,
21 2006 (P.L.1137, NO.116), IS AMENDED TO READ:

22 SECTION 1709-B. LIMITATION ON CREDITS.--(A) THE TOTAL
23 AMOUNT OF CREDITS APPROVED BY THE DEPARTMENT SHALL NOT EXCEED
24 [FORTY MILLION DOLLARS (\$40,000,000)] SEVENTY-FIVE MILLION
25 DOLLARS (\$75,000,000) IN ANY FISCAL YEAR. OF THAT AMOUNT, [EIGHT
26 MILLION DOLLARS (\$8,000,000)] TEN MILLION DOLLARS (\$10,000,000)
27 SHALL BE ALLOCATED EXCLUSIVELY FOR SMALL BUSINESSES. HOWEVER, IF
28 THE TOTAL AMOUNTS ALLOCATED TO EITHER THE GROUP OF APPLICANTS
29 EXCLUSIVE OF SMALL BUSINESSES OR THE GROUP OF SMALL BUSINESS
30 APPLICANTS IS NOT APPROVED IN ANY FISCAL YEAR, THE UNUSED

1 PORTION WILL BECOME AVAILABLE FOR USE BY THE OTHER GROUP OF
2 QUALIFYING TAXPAYERS.

3 * * *

4 SECTION 6. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

5 ARTICLE XVII-F

6 YOUTH EMPLOYMENT INCENTIVE TAX CREDIT

7 SECTION 1701-F. SCOPE.

8 THIS ARTICLE RELATES TO YOUTH EMPLOYMENT INCENTIVE TAX
9 CREDITS.

10 SECTION 1702-F. DEFINITIONS.

11 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
12 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
13 CONTEXT CLEARLY INDICATES OTHERWISE:

14 "DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.

15 "PASS-THROUGH ENTITY." ANY OF THE FOLLOWING:

16 (1) A PARTNERSHIP, LIMITED PARTNERSHIP, LIMITED
17 LIABILITY COMPANY, BUSINESS TRUST OR OTHER UNINCORPORATED
18 ENTITY THAT FOR FEDERAL INCOME TAX PURPOSES IS TAXABLE AS A
19 PARTNERSHIP.

20 (2) A PENNSYLVANIA S CORPORATION.

21 "QUALIFIED TAX LIABILITY." THE LIABILITY FOR TAXES IMPOSED
22 UNDER ARTICLE III, IV OR VI. THE TERM SHALL INCLUDE THE
23 LIABILITY FOR TAXES IMPOSED UNDER ARTICLE III ON A SHAREHOLDER
24 OF A PASS-THROUGH ENTITY.

25 "QUALIFIED YOUTH EMPLOYEE." A PENNSYLVANIA RESIDENT
26 INDIVIDUAL BETWEEN 14 AND 21 YEARS OF AGE WHOSE MEDIAN FAMILY
27 INCOME DOES NOT EXCEED 235% OF THE FEDERAL POVERTY LEVEL
28 CONSISTENT WITH TEMPORARY ASSISTANCE FOR NEEDY FAMILIES GRANTS
29 THAT SERVE PURPOSES SIMILAR TO THOSE OF THIS ARTICLE. THE TERM
30 SHALL NOT MAKE A DISTINCTION BASED ON EDUCATION.

1 "QUALIFIED YOUTH EMPLOYMENT EXPENSE." WAGES, FRINGE
2 BENEFITS, RELATED PAYROLL AND TRAINING EXPENSES, AND OTHER
3 ANCILLARY EXPENSES PAID BY A TAXPAYER TO OR FOR THE BENEFIT OF A
4 QUALIFIED YOUTH EMPLOYEE, PROVIDED THAT ANY ANCILLARY EXPENSES
5 NOT ENUMERATED IN THIS DEFINITION ARE IDENTIFIED IN THE
6 TAXPAYER'S APPLICATION AND APPROVED BY THE DEPARTMENT OF
7 REVENUE. THE TERM INCLUDES THOSE EXPENSES PAID BY A TAXPAYER TO
8 ANOTHER TAXPAYER OR NONPROFIT CORPORATION FOR THE PURPOSE OF
9 SPONSORING A QUALIFIED YOUTH EMPLOYEE, PROVIDED THAT THE TERMS
10 OF THE SPONSORSHIP ARE IDENTIFIED IN THE TAXPAYER'S APPLICATION
11 AND APPROVED BY THE DEPARTMENT OF REVENUE AND THE LOCAL WORK
12 FORCE INVESTMENT BOARD. ALL QUALIFIED YOUTH EMPLOYMENT EXPENSES
13 INCURRED IN A TAXABLE YEAR SHALL BE COMBINED AND TREATED AS ONE
14 QUALIFIED YOUTH EMPLOYMENT EXPENSE FOR PURPOSES OF THIS ARTICLE.

15 "SECRETARY." THE SECRETARY OF REVENUE OF THE COMMONWEALTH.

16 "TAX CREDIT." THE YOUTH EMPLOYMENT INCENTIVE TAX CREDIT
17 AUTHORIZED UNDER THIS ARTICLE.

18 "TAXPAYER." AN ENTITY SUBJECT TO TAX UNDER ARTICLE III, IV
19 OR VI OR AN ENTITY THAT ASSIGNS CREDITS TO SUCH ENTITY IN
20 ACCORDANCE WITH SECTION 1704-F. THE TERM SHALL INCLUDE THE
21 SHAREHOLDER, OWNER OR MEMBER OF A PASS-THROUGH ENTITY THAT
22 RECEIVES A TAX CREDIT.

23 SECTION 1703-F. CREDIT FOR QUALIFIED YOUTH EMPLOYMENT EXPENSE.

24 (A) APPLICATION.--

25 (1) A TAXPAYER WHO INCURS A QUALIFIED YOUTH EMPLOYMENT
26 EXPENSE IN A TAXABLE YEAR MAY APPLY FOR A TAX CREDIT AS
27 PROVIDED IN THIS ARTICLE. A TAXPAYER MUST SUBMIT A YOUTH
28 EMPLOYMENT INCENTIVE TAX CREDIT APPLICATION TO ITS LOCAL WORK
29 FORCE INVESTMENT BOARD.

30 (2) EACH LOCAL WORK FORCE INVESTMENT BOARD:

1 (I) SHALL MAKE A THRESHOLD DETERMINATION AS TO
2 WHETHER THE APPLICATION IS CONSISTENT WITH ITS DETERMINED
3 CRITERIA.

4 (II) SHALL SUBMIT APPLICATIONS THAT MEET THE
5 THRESHOLD CRITERIA TO THE DEPARTMENT FOR ITS REVIEW.

6 (III) MAY ESTABLISH GUIDELINES TO FULFILL ITS DUTIES
7 UNDER THIS SUBSECTION.

8 (3) THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
9 SHALL ESTABLISH GUIDELINES FOR THE REVIEW AND APPROVAL OF
10 APPLICATIONS UNDER THIS SUBSECTION AND SHALL APPROVE
11 APPLICATIONS ON A FIRST-COME-FIRST-SERVED BASIS.

12 (4) NOTHING IN THIS SUBSECTION SHALL BE CONSTRUED TO
13 PREVENT A TAXPAYER FROM APPLYING FOR A MULTIYEAR TAX CREDIT
14 FOR THOSE QUALIFIED YOUTH EMPLOYMENT EXPENSES LASTING LONGER
15 THAN ONE TAXABLE YEAR, BUT FOR NO MORE THAN THREE TAXABLE
16 YEARS.

17 (B) RECEIPT.--IF THE DEPARTMENT APPROVES THE TAXPAYER'S
18 APPLICATION, THE TAXPAYER AND DEPARTMENT SHALL EXECUTE A
19 COMMITMENT LETTER CONTAINING THE FOLLOWING:

20 (1) A DESCRIPTION OF THE PROJECT.

21 (2) THE NUMBER OF NEW JOBS TO BE CREATED.

22 (3) THE MAXIMUM YOUTH EMPLOYMENT INCENTIVE TAX CREDIT
23 AMOUNT THE TAXPAYER MAY CLAIM.

24 (4) A SIGNED STATEMENT THAT THE TAXPAYER INTENDS TO
25 MAINTAIN ITS OPERATION IN THIS COMMONWEALTH FOR FIVE YEARS
26 FROM THE START DATE.

27 (5) OTHER INFORMATION AS THE DEPARTMENT DEEMS
28 APPROPRIATE.

29 (C) COMMITMENT LETTER.--AFTER A COMMITMENT LETTER HAS BEEN
30 SIGNED BY BOTH THE COMMONWEALTH AND THE TAXPAYER, THE TAXPAYER

1 SHALL RECEIVE A YOUTH EMPLOYMENT INCENTIVE TAX CREDIT
2 CERTIFICATE AND FILING INFORMATION.

3 (D) AMOUNT.--A TAXPAYER SHALL RECEIVE A TAX CREDIT FOR THE
4 TAXABLE YEAR IN THE AMOUNT OF 70% OF THE TAXPAYER'S TOTAL
5 QUALIFIED YOUTH EMPLOYMENT EXPENSE FOR THE TAXABLE YEAR.

6 (E) FINALITY OF DEPARTMENT DECISION.--THE DECISION OF THE
7 DEPARTMENT ON AN APPLICATION FILED UNDER THIS SECTION IS FINAL
8 AND NOT SUBJECT TO REVIEW OR APPEAL.

9 SECTION 1704-F. CARRYOVER, CARRYBACK, REFUND AND ASSIGNMENT OF
10 CREDIT.

11 (A) CARRYOVER.--IF THE TAXPAYER CANNOT USE THE ENTIRE AMOUNT
12 OF THE TAX CREDIT FOR THE TAXABLE YEAR IN WHICH THE TAX CREDIT
13 IS FIRST APPROVED, THEN THE EXCESS MAY BE CARRIED OVER TO
14 SUCCEEDING TAXABLE YEARS AND USED AS A CREDIT AGAINST THE
15 QUALIFIED TAX LIABILITY OF THE TAXPAYER FOR THOSE TAXABLE YEARS.
16 EACH TIME THAT THE TAX CREDIT IS CARRIED OVER TO A SUCCEEDING
17 TAXABLE YEAR, IT IS TO BE REDUCED BY THE AMOUNT THAT WAS USED AS
18 A CREDIT DURING THE IMMEDIATELY PRECEDING TAXABLE YEAR. THE TAX
19 CREDIT MAY BE CARRIED OVER AND APPLIED TO SUCCEEDING TAXABLE
20 YEARS FOR NO MORE THAN 15 TAXABLE YEARS FOLLOWING THE FIRST
21 TAXABLE YEAR FOR WHICH THE TAXPAYER WAS ENTITLED TO CLAIM THE
22 CREDIT.

23 (B) APPLICATION.--A TAX CREDIT APPROVED BY THE DEPARTMENT
24 FOR A QUALIFIED YOUTH EMPLOYMENT EXPENSE IN A TAXABLE YEAR FIRST
25 SHALL BE APPLIED IN ACCORDANCE WITH THE COMMITMENT LETTER
26 BETWEEN THE COMMONWEALTH AND THE TAXPAYER.

27 (C) PROHIBITION.--A TAXPAYER IS NOT ENTITLED TO CARRY BACK
28 OR OBTAIN A REFUND OF AN UNUSED TAX CREDIT.

29 (D) SALE OR ASSIGNMENT.--A TAXPAYER, UPON APPLICATION TO AND
30 APPROVAL BY THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

1 IN ACCORDANCE WITH SECTION 1703-F, MAY SELL OR ASSIGN, IN WHOLE
2 OR IN PART, A TAX CREDIT GRANTED TO THE TAXPAYER UNDER THIS
3 ARTICLE IF NO CLAIM FOR ALLOWANCE OF THE CREDIT IS FILED WITHIN
4 ONE YEAR FROM THE DATE THE CREDIT IS APPROVED BY THE DEPARTMENT
5 UNDER SECTION 1703-F. THE DEPARTMENT OF COMMUNITY AND ECONOMIC
6 DEVELOPMENT SHALL ESTABLISH GUIDELINES FOR THE APPROVAL OF
7 APPLICATIONS UNDER THIS SUBSECTION.

8 (E) CLAIM AND USE.--THE PURCHASER OR ASSIGNEE OF A PORTION
9 OF A TAX CREDIT UNDER SUBSECTION (D) SHALL IMMEDIATELY CLAIM THE
10 CREDIT IN THE TAXABLE YEAR IN WHICH THE PURCHASE OR ASSIGNMENT
11 IS MADE. THE AMOUNT OF THE TAX CREDIT THAT A PURCHASER OR
12 ASSIGNEE MAY USE AGAINST ANY ONE QUALIFIED TAX LIABILITY MAY NOT
13 EXCEED 75% OF THE QUALIFIED TAX LIABILITY FOR THE TAXABLE YEAR.
14 THE PURCHASER OR ASSIGNEE MAY NOT CARRY BACK, OBTAIN A REFUND OF
15 OR ASSIGN THE TAX CREDIT. THE PURCHASER OR ASSIGNEE SHALL NOTIFY
16 THE DEPARTMENT OF THE SELLER OR ASSIGNOR.

17 SECTION 1705-F. TIME LIMITATIONS.

18 EXCEPT AS PROVIDED IN SECTION 1704-F(A), A TAXPAYER IS NOT
19 ENTITLED TO A TAX CREDIT FOR QUALIFIED YOUTH EMPLOYMENT EXPENSES
20 INCURRED IN TAXABLE YEARS ENDING AFTER DECEMBER 31, 2012.

21 SECTION 1706-F. LIMITATION ON CREDITS.

22 THE TOTAL AMOUNT OF TAX CREDITS APPROVED BY THE DEPARTMENT
23 SHALL NOT EXCEED \$20,000,000 IN ANY FISCAL YEAR.

24 SECTION 1707-F. SHAREHOLDER, OWNER OR MEMBER PASS-THROUGH.

25 (A) APPLICATION TO PENNSYLVANIA S CORPORATIONS.--IF A
26 PENNSYLVANIA S CORPORATION DOES NOT HAVE AN ELIGIBLE TAX
27 LIABILITY AGAINST WHICH THE TAX CREDIT MAY BE APPLIED, A
28 SHAREHOLDER OF THE PENNSYLVANIA S CORPORATION IS ENTITLED TO A
29 TAX CREDIT EQUAL TO THE TAX CREDIT DETERMINED FOR THE
30 PENNSYLVANIA S CORPORATION FOR THE TAXABLE YEAR MULTIPLIED BY

1 THE PERCENTAGE OF THE PENNSYLVANIA S CORPORATION'S DISTRIBUTIVE
2 INCOME TO WHICH THE SHAREHOLDER IS ENTITLED.

3 (B) OTHER APPLICATIONS.--IF A PASS-THROUGH ENTITY OTHER THAN
4 A PENNSYLVANIA S CORPORATION DOES NOT HAVE AN ELIGIBLE TAX
5 LIABILITY AGAINST WHICH THE TAX CREDIT MAY BE APPLIED, AN OWNER
6 OR MEMBER OF THE PASS-THROUGH ENTITY IS ENTITLED TO A TAX CREDIT
7 EQUAL TO THE TAX CREDIT DETERMINED FOR THE PASS-THROUGH ENTITY
8 FOR THE TAXABLE YEAR MULTIPLIED BY THE PERCENTAGE OF THE PASS-
9 THROUGH ENTITIES' DISTRIBUTIVE INCOME TO WHICH THE OWNER OR
10 MEMBER IS ENTITLED.

11 (C) ADDITIONAL CREDIT.--THE CREDIT PROVIDED UNDER SUBSECTION
12 (A) OR (B) IS IN ADDITION TO ANY TAX CREDIT TO WHICH A
13 SHAREHOLDER, OWNER OR MEMBER OF A PASS-THROUGH ENTITY IS
14 OTHERWISE ENTITLED UNDER THIS ARTICLE. HOWEVER, A PASS-THROUGH
15 ENTITY AND A SHAREHOLDER, OWNER OR MEMBER OF A PASS-THROUGH
16 ENTITY MAY NOT CLAIM A CREDIT UNDER THIS ARTICLE FOR THE SAME
17 QUALIFIED YOUTH EMPLOYMENT EXPENSE.

18 SECTION 1708-F. TERMINATION.

19 EXCEPT FOR CARRYOVERS OF PREVIOUSLY AWARDED TAX CREDITS, THE
20 DEPARTMENT SHALL NOT APPROVE A TAX CREDIT UNDER THIS ARTICLE FOR
21 TAXABLE YEARS ENDING AFTER DECEMBER 31, 2012.

22 SECTION 1709-F. REGULATIONS.

23 THE SECRETARY SHALL PROMULGATE REGULATIONS NECESSARY FOR THE
24 IMPLEMENTATION AND ADMINISTRATION OF THIS ARTICLE.

25 SECTION 7. SECTION 1804-B OF THE ACT, ADDED JUNE 22, 2001
26 (P.L.353, NO.23), IS AMENDED TO READ:

27 SECTION 1804-B. TAX CREDITS.

28 [(A) MAXIMUM AMOUNT.--A COMPANY MAY CLAIM A TAX CREDIT OF
29 \$1,000 PER NEW JOB CREATED UP TO THE MAXIMUM JOB CREATION TAX
30 CREDIT AMOUNT SPECIFIED IN THE COMMITMENT LETTER.]

1 (A.1) SPECIAL AND STANDARD TAX CREDITS.--

2 (1) A COMPANY SHALL BE ENTITLED TO A TAX CREDIT OF
3 \$3,000, AS APPROVED BY THE DEPARTMENT, FOR EACH NEW JOB
4 CREATED AFTER THE EFFECTIVE DATE OF THIS SUBSECTION AND
5 BEFORE JUNE 30, 2009. NEW JOBS ELIGIBLE FOR THE SPECIAL
6 STIMULUS TAX CREDIT UNDER THIS PARAGRAPH SHALL BE DEEMED
7 CREATED TO THE EXTENT THAT THE COMPANY'S MONTHLY AVERAGE
8 EMPLOYMENT DURING THE SPECIAL STIMULUS TAX CREDIT TERM
9 EXCEEDS THE COMPANY'S AVERAGE EMPLOYMENT DURING THE THREE
10 YEARS PRECEDING THE START DATE.

11 (2) (I) ON AND AFTER JULY 1, 2009, A COMPANY MAY CLAIM
12 A TAX CREDIT OF UP TO \$3,000, AS APPROVED BY THE
13 DEPARTMENT, FOR EACH JOB CREATED DURING ANY YEAR OF THE
14 APPROVED TAX CREDIT TERM, BASED UPON THE QUALITY AND
15 OVERALL IMPACT OF THE JOBS.

16 (II) DETERMINATION OF NEW JOBS CREATED SHALL BE AS
17 FOLLOWS:

18 (A) NEW JOBS SHALL BE DEEMED CREATED IN YEAR ONE
19 TO THE EXTENT THAT THE COMPANY'S AVERAGE EMPLOYMENT
20 BY QUARTER DURING YEAR ONE EXCEEDS THE COMPANY'S
21 AVERAGE EMPLOYMENT LEVEL DURING THE COMPANY'S BASE
22 PERIOD.

23 (B) NEW JOBS SHALL BE DEEMED CREATED IN YEAR TWO
24 TO THE EXTENT THAT THE COMPANY'S AVERAGE EMPLOYMENT
25 BY QUARTER DURING YEAR TWO EXCEEDS THE COMPANY'S
26 AVERAGE EMPLOYMENT BY QUARTER DURING YEAR ONE.

27 (C) NEW JOBS SHALL BE DEEMED CREATED IN YEAR
28 THREE TO THE EXTENT THAT THE COMPANY'S AVERAGE
29 EMPLOYMENT BY QUARTER DURING YEAR THREE EXCEEDS THE
30 COMPANY'S AVERAGE EMPLOYMENT BY QUARTER DURING YEAR

1 TWO.

2 [(B) DETERMINATION OF NEW JOBS CREATED.--

3 (1) NEW JOBS SHALL BE DEEMED CREATED IN YEAR ONE TO THE
4 EXTENT THAT THE COMPANY'S AVERAGE EMPLOYMENT BY QUARTER
5 DURING YEAR ONE EXCEEDS THE COMPANY'S AVERAGE EMPLOYMENT
6 LEVEL DURING THE COMPANY'S BASE PERIOD.

7 (2) NEW JOBS SHALL BE DEEMED CREATED IN YEAR TWO TO THE
8 EXTENT THAT THE COMPANY'S AVERAGE EMPLOYMENT BY QUARTER
9 DURING YEAR TWO EXCEEDS THE COMPANY'S AVERAGE EMPLOYMENT BY
10 QUARTER DURING YEAR ONE.

11 (3) NEW JOBS SHALL BE DEEMED CREATED IN YEAR THREE TO
12 THE EXTENT THAT THE COMPANY'S AVERAGE EMPLOYMENT BY QUARTER
13 DURING YEAR THREE EXCEEDS THE COMPANY'S AVERAGE EMPLOYMENT BY
14 QUARTER DURING YEAR TWO.]

15 (C) APPLICABLE TAXES.--A COMPANY MAY APPLY THE TAX CREDIT TO
16 100% OF THE COMPANY'S STATE CORPORATE NET INCOME TAX, CAPITAL
17 STOCK AND FRANCHISE TAX OR THE CAPITAL STOCK AND FRANCHISE TAX
18 OF A SHAREHOLDER OF THE COMPANY IF THE COMPANY IS A PENNSYLVANIA
19 S CORPORATION, GROSS PREMIUMS TAX, GROSS RECEIPTS TAX, BANK AND
20 TRUST COMPANY SHARES TAX, MUTUAL THRIFT INSTITUTION TAX, TITLE
21 INSURANCE COMPANY SHARES TAX, PERSONAL INCOME TAX OR THE
22 PERSONAL INCOME TAX OF SHAREHOLDERS OF A PENNSYLVANIA S
23 CORPORATION OR ANY COMBINATION THEREOF.

24 (D) TAX CREDIT TERM.--A COMPANY MAY CLAIM THE JOB CREATION
25 TAX CREDIT FOR EACH NEW JOB CREATED, AS APPROVED BY THE
26 DEPARTMENT, FOR A PERIOD DETERMINED BY THE DEPARTMENT BUT NOT TO
27 EXCEED FIVE YEARS FROM THE DATE THE COMPANY FIRST SUBMITS A JOB
28 CREATION TAX CREDIT CERTIFICATE.

29 (E) AVAILABILITY OF TAX CREDITS.--EACH FISCAL YEAR,
30 \$22,500,000 IN TAX CREDITS SHALL BE MADE AVAILABLE TO THE

1 DEPARTMENT AND MAY BE AWARDED BY THE DEPARTMENT IN ACCORDANCE
2 WITH THIS ARTICLE. IN ADDITION, IN ANY FISCAL YEAR, THE
3 DEPARTMENT MAY REISSUE OR ASSIGN PRIOR FISCAL YEAR TAX CREDITS
4 WHICH HAVE BEEN RECAPTURED UNDER SECTION 1806-B(A) OR (B) AND
5 MAY AWARD PRIOR FISCAL YEAR CREDITS NOT PREVIOUSLY ISSUED. PRIOR
6 FISCAL YEAR CREDITS MAY BE REISSUED, ASSIGNED OR AWARDED BY THE
7 DEPARTMENT WITHOUT LIMITATION BY SECTION 1805-B(B).

8 SECTION 8. THIS ACT SHALL APPLY AS FOLLOWS:

9 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2), THIS ACT SHALL
10 APPLY TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2007.

11 (2) THE ADDITION OF ARTICLE XVII-F OF THE ACT SHALL
12 APPLY TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2008.

13 SECTION 9. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.