

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 532 Session of  
2007

INTRODUCED BY GREENLEAF, C. WILLIAMS, ORIE, MUSTO, D. WHITE,  
FONTANA, FOLMER, STOUT, RAFFERTY, KASUNIC, BOSCOLA, RHOADES,  
TARTAGLIONE, O'PAKE, COSTA, GORDNER, ERICKSON, LOGAN, FERLO,  
WAUGH, KITCHEN, TOMLINSON, FUMO, WASHINGTON AND WOZNIAK,  
MARCH 19, 2007

REFERRED TO FINANCE, MARCH 19, 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 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:

ARTICLE XXII

CHILD-CARE TAX CREDIT

18 Section 2201. Short title of article.

19 This article shall be known and may be cited as the Child-  
20 Care Tax Credit Act.

1 Section 2202. Definitions.

2 The following words, terms and phrases, when used in this  
3 article, shall have the meanings given to them in this section,  
4 except where the context clearly indicates otherwise:

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

9 "Contributions." Net payments made to a child-care program  
10 not operated by the business firm for child-care services for  
11 children of employees of the business firm.

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

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

17 Section 2203. Authorization of credit.

18 (a) Eligibility.--A business firm that operates its own  
19 child-care program which has been issued a valid license by the  
20 Department of Public Welfare shall be eligible for the tax  
21 credit.

22 (b) License from Department of Public Welfare required.--A  
23 business firm which makes contributions to a child-care program  
24 not operated by the business firm which has been issued a valid  
25 license by the Department of Public Welfare shall be eligible  
26 for the tax credit.

27 Section 2204. Calculation of credit.

28 (a) General rule.--The amount of the tax credit available to  
29 a business firm which qualifies under this article and operates  
30 its own not-for-profit child-care program shall be equal to 100%

1 of the net costs expended for the operation and maintenance of  
2 the child-care program.

3 (b) Amount.--The amount of the tax credit available to a  
4 business firm which qualifies under this article and contributes  
5 to a child-care program not operated by the business firm shall  
6 be equal to 100% of the contributions made by the business firm  
7 to the child-care program.

8 Section 2205. Taxes against which credit may be taken.

9 (a) General rule.--Except as provided in subsection (b), the  
10 tax credit provided for in this article may be applied against  
11 any tax due under Article III, IV, VI, VII, VIII, IX or XV.

12 (b) Nonapplicable against employer withholding taxes.--The  
13 tax credit provided for in this article shall not be applied  
14 against employer withholding taxes required under Article III.

15 Section 2206. Powers and duties.

16 In addition to those powers created by any other act, the  
17 Secretary of Revenue shall have the power and it shall be the  
18 secretary's duty to:

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

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

24 Section 2. This act shall apply to taxable years beginning  
25 after December 31, 2007.

26 Section 3. This act shall take effect immediately.