

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 83 Session of 2009

INTRODUCED BY FRANKEL, BELFANTI, BRENNAN, CALTAGIRONE, DeLUCA, DONATUCCI, FREEMAN, GEORGE, GIBBONS, HORNAMAN, JOSEPHS, KOTIK, MAHONEY, MANDERINO, MANN, McGEEHAN, McILVAINE SMITH, MELIO, MURT, M. O'BRIEN, READSHAW, SCAVELLO, SIPTROTH, K. SMITH, SOLOBAY, STABACK AND WALKO, JANUARY 28, 2009

REFERRED TO COMMITTEE ON FINANCE, JANUARY 28, 2009

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," establishing a tax credit for small businesses  
 11 offering 12 weeks of paid family and medical leave annually;  
 12 providing for tax credits for participating businesses; and  
 13 conferring powers and imposing duties upon the Department of  
 14 Revenue.

15 The General Assembly of the Commonwealth of Pennsylvania  
 16 hereby enacts as follows:

17 Section 1. Article XVIII-C heading of the act of March 4,  
 18 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, added  
 19 July 9, 2008 (P.L.922, No.66), is amended to read:

ARTICLE XVIII-C

[(Reserved)]

PAID FAMILY AND MEDICAL LEAVE TAX CREDIT

1 Section 2. The act is amended by adding sections to read:

2 Section 1801-C. Short title.

3 This article shall be known and may be cited as the Paid  
4 Family and Medical Leave Tax Credit Act.

5 Section 1802-C. Definitions.

6 The following words and phrases when used in this article  
7 shall have the meanings given to them in this section unless the  
8 context clearly indicates otherwise:

9 "Business firm." A corporation, partnership, sole  
10 proprietorship or other entity with 500 employees or fewer that  
11 is authorized to do business in this Commonwealth and subject to  
12 any of the taxes imposed by Article III, IV, V, VI, VII, VIII,  
13 IX, X or XV.

14 "Employee." An individual who has worked for a business firm  
15 for at least 12 months and for 1,250 hours during the last year  
16 and is eligible for family and medical leave under the Family  
17 and Medical Leave Act of 1993 (Public Law 103-3, 29 U.S.C. §  
18 2601 et seq.).

19 "Family and Medical Leave Act of 1993." The Family and  
20 Medical Leave Act of 1993 (Public Law 103-3, 29 U.S.C. § 2601 et  
21 seq.).

22 "Family leave." Time away from work to care for any of the  
23 following:

- 24 (1) A person in an employee's family.  
25 (2) A newborn, newly adopted child or a child.  
26 (3) A spouse.  
27 (4) A parent with a serious health condition.

28 "Medical leave." Time away from work to seek medical  
29 treatment or to recover from an employee's own serious health  
30 condition.

1 "Tax credit." The paid family and medical leave tax credit  
2 established by this article.

3 Section 1803-C. Purpose.

4 It shall be the purpose of this article to provide fiscal  
5 incentives to small business owners to encourage them to provide  
6 to employees 12 weeks of paid family and medical leave which may  
7 be used consecutively with any leave granted under the Family  
8 and Medical Leave Act of 1993.

9 Section 1804-C. Authorization of credit.

10 A business firm with fewer than 500 employees that chooses to  
11 offer to employees 12 weeks of paid family and medical leave  
12 which may be used consecutively and in addition to any leave  
13 permitted under the Family and Medical Leave Act of 1993 shall  
14 be eligible to receive the tax credit.

15 Section 1805-C. Calculation of credit.

16 The amount of the tax credit available to a business firm  
17 which qualifies under this article shall be calculated as  
18 follows:

19 (1) Business firms with 50 employees or fewer shall be  
20 eligible to receive a 50% tax credit.

21 (2) Business firms with 50 to 100 employees shall be  
22 eligible to receive a 40% tax credit.

23 (3) Business firms with 101 to 200 employees shall be  
24 eligible to receive a 25% tax credit.

25 (4) Business firms with 201 to 300 employees shall be  
26 eligible to receive a 20% tax credit.

27 (5) Business firms with 301 to 400 employees shall be  
28 eligible to receive a 15% tax credit.

29 (6) Business firms with 401 to 500 employees shall be  
30 eligible to receive a 10% tax credit.

1 Section 1806-C. Taxes against which credit may be taken.

2 The tax credit may be applied against any tax due under  
3 Article III, IV, V, VI, VII, VIII, IX, X or XV.

4 Section 1807-C. Limit on total credit.

5 The following limits are imposed on the tax credits:

6 (1) The total tax credit that may be claimed by any  
7 single business firm shall not exceed \$10,000 in any one  
8 year.

9 (2) The total amount of all tax credits granted under  
10 this article shall not exceed \$10,000,000 in any one fiscal  
11 year.

12 Section 1808-C. Powers and duties.

13 The Department of Revenue shall have the power and duty to do  
14 all of the following:

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

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

19 (3) Within five months after the close of any calendar  
20 year during which tax credits granted under this article were  
21 used, furnish to the members of the General Assembly an  
22 annual report concerning each business firm which used tax  
23 credits during the preceding calendar year pursuant to this  
24 article: the employer's name, address, standard industrial  
25 classification code and the amount of tax credits granted.

26 Section 3. This act shall apply to taxable years beginning  
27 on and after January 1, 2008.

28 Section 4. This act shall take effect immediately.