

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2256 Session of  
2010

INTRODUCED BY PYLE, BAKER, BOBACK, BOYD, CREIGHTON, CUTLER,  
DALEY, ELLIS, EVERETT, GABLER, GEIST, GERGELY, GILLESPIE,  
GINGRICH, GOODMAN, GROVE, HARHART, HESS, HORNAMAN, KOTIK,  
KULA, LONGIETTI, MAJOR, METCALFE, METZGAR, MILLER, MOUL,  
MURT, PALLONE, PEIFER, RAPP, REESE, REICHLEY, SEIP, SIPTROTH,  
SONNEY, STABACK, STEVENSON, SWANGER, WANSACZ AND WHITE,  
FEBRUARY 16, 2010

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 16, 2010

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 deer processor tax credit.

11 The General Assembly of the Commonwealth of Pennsylvania  
12 hereby enacts as follows:

13 Section 1. The act of act of March 4, 1971 (P.L.6, No.2),  
14 known as the Tax Reform Code of 1971, is amended by adding an  
15 article to read:

ARTICLE XVII-G

DEER PROCESSOR'S TAX CREDIT

18 Section 1701-G. Scope.

19 This article relates to a deer processor's tax credit.

1 Section 1702-G. Definitions.

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

5 "Accepting registered public charity." An institution which  
6 meets the criteria under section 5 of the act of November 26,  
7 1997 (P.L.508, No.55), known as the Institutions of Purely  
8 Public Charity Act, and accepts venison as a means of feeding  
9 the hungry.

10 "Department." The Department of Revenue of the Commonwealth.

11 "Pass-through entity." Any of the following:

12 (1) A partnership, limited partnership, limited  
13 liability company, business trust or other unincorporated  
14 entity that for Federal income tax purposes is taxable as a  
15 partnership.

16 (2) A Pennsylvania S corporation.

17 "Qualified processing expense." The expense a processor  
18 incurs as a result of processing a single deer, from which the  
19 meat is being donated for the sole purpose of human consumption.

20 "Qualified tax liability." The liability for taxes imposed  
21 under Article III, IV or VI. The term shall include the  
22 liability for taxes imposed under Article III on a shareholder  
23 of a pass-through entity.

24 "Secretary." The Secretary of Revenue of the Commonwealth.

25 "Tax credit." The deer processor's tax credit authorized  
26 under this article.

27 "Taxpayer." An entity subject to tax under Article III, IV  
28 or VI. The term shall include the shareholder, owner or member  
29 of a pass-through entity that receives a tax credit.

30 Section 1703-G. Credit for qualified processing expense.

1     (a) Application.--A taxpayer may apply for a tax credit as  
2 provided in this article when the taxpayer incurs a qualified  
3 processing expense while donating the taxpayer's service to an  
4 individual who wishes to donate all of the consumable venison  
5 from a single deer to an accepting registered public charity. By  
6 September 15, a taxpayer must submit an application to the  
7 department for a qualified processing expense incurred in the  
8 taxable year that ended in the prior calendar year.

9     (b) Accountability.--The qualifying processor must retain  
10 for recordkeeping purposes each appropriate Pennsylvania Game  
11 Commission numbered and issued ear tag that is affixed to each  
12 deer being donated.

13     (c) Receipt.--A taxpayer that is qualified under subsection  
14 (a) shall receive a tax credit for the taxable year in the  
15 amount of \$50 per deer processed. The maximum tax credit amount  
16 which a taxpayer that is qualified under subsection (a) shall  
17 receive may not exceed \$2,500 for the taxable year.

18     (d) Notification.--By December 15 of the calendar year  
19 following the close of the taxable year during which the  
20 qualified processing expense was incurred, the department shall  
21 notify the taxpayer of the amount of the taxpayer's tax credit  
22 approved by the department.

23 Section 1704-G. Carryover, carryback, refund and assignment of  
24 credit.

25     (a) General rule.--If the taxpayer cannot use the entire  
26 amount of the tax credit for the taxable year in which the tax  
27 credit is first approved, then the excess may be carried over  
28 succeeding taxable years and used as a credit against the  
29 qualified tax liability of the taxpayer for those taxable years.  
30 Each time that the tax credit is carried over to a succeeding

1 taxable year, it is to be reduced by the amount that was used as  
2 a credit during the immediately preceding taxable year. The tax  
3 credit provided by this article may be carried over and applied  
4 to succeeding taxable years for no more than fifteen taxable  
5 years following the first taxable year for which the taxpayer  
6 was entitled to claim the credit.

7 (b) Application.--A tax credit approved by the department  
8 for qualified processing expense in a taxable year first shall  
9 be applied against the taxpayer's qualified tax liability for  
10 the current taxable year as of the date on which the credit was  
11 approved before the tax credit is applied against any tax  
12 liability under subsection (a).

13 (c) No carryback or refund.--A taxpayer is not entitled to  
14 carry back or obtain a refund of an unused tax credit.

15 Section 1705-G. Time limitations.

16 A taxpayer is not entitled to a tax credit for qualified  
17 processing expenses incurred in taxable years ending after  
18 December 31, 2014.

19 Section 1706-G. Limitation on credits.

20 (a) Total amount.--The total amount of tax credits approved  
21 by the department shall not exceed \$100,000 in any fiscal year.

22 (b) Allocation of credits.--Tax credits under this article  
23 shall be provided on a first-come-first-served basis until all  
24 annual available credits have been allocated.

25 Section 1707-G. Shareholder, owner or member pass-through.

26 (a) Application to Pennsylvania S corporations.--If a  
27 Pennsylvania S corporation does not have an eligible tax  
28 liability against which the tax credit may be applied, a  
29 shareholder of the Pennsylvania S corporation is entitled to a  
30 tax credit equal to the tax credit determined for the

Pennsylvania S corporation for the taxable year multiplied by the percentage of the Pennsylvania S corporation's distributive income to which the shareholder is entitled.

(b) Other applications.--If a pass-through entity other than a Pennsylvania S corporation does not have an eligible tax liability against which the tax credit may be applied, an owner or member of the pass-through entity is entitled to a tax credit equal to the tax credit determined for the pass-through entity for the taxable year multiplied by the percentage of the pass-through entities' distributive income to which the owner or member is entitled.

(c) Additional credit.--The credit provided under subsection (a) or (b) is in addition to any tax credit to which a shareholder, owner or member of a pass-through entity is otherwise entitled under this article. However, a pass-through entity and a shareholder, owner or member of a pass-through entity may not claim a credit under this article for the same qualified processing expense.

#### Section 1708-G. Termination.

The department shall not approve a tax credit under this article for taxable years ending after December 31, 2014.

#### Section 1709-G. Regulations.

The secretary shall promulgate regulations necessary for the implementation and administration of this article.

Section 2. This act shall apply to taxable years beginning after December 31, 2009.

Section 3. This act shall take effect July 1, 2010, or immediately, whichever is later.