

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 122 Session of 2009

INTRODUCED BY O'PAKE, WASHINGTON, STOUT, KASUNIC, FONTANA,
RAFFERTY, KITCHEN, TARTAGLIONE, HUGHES, FERLO, MUSTO,
ERICKSON, GREENLEAF, BROWNE, COSTA, LOGAN, WOZNIAK AND STACK,
JANUARY 30, 2009

REFERRED TO FINANCE, JANUARY 30, 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," further providing for tax credits.

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

13 Section 1. Section 1804-B of the act of March 4, 1971 (P.L.
14 6, No.2), known as the Tax Reform Code of 1971, added June 22,
15 2001 (P.L.353, No.23), is amended to read:

16 Section 1804-B. Tax credits.

17 [(a) Maximum amount.--A company may claim a tax credit of
18 \$1,000 per new job created up to the maximum job creation tax
19 credit amount specified in the commitment letter.]

20 (a.1) Special and standard tax credits.--

21 (1) A company shall be entitled to a tax credit of

1 \$3,000, as approved by the department, for each new job
2 created after the effective date of this subsection and
3 before June 30, 2010. New jobs eligible for the special
4 stimulus tax credit under this paragraph shall be deemed
5 created to the extent that the company's monthly average
6 employment during the special stimulus tax credit term
7 exceeds the company's average employment during the three
8 years preceding the start date.

9 (2) (i) On and after July 1, 2010, a company may claim
10 a tax credit of up to \$3,000, as approved by the
11 department, for each job created during any year of the
12 approved tax credit term, based upon the quality and
13 overall impact of the jobs.

14 (ii) Determination of new jobs created shall be as
15 follows:

16 (A) New jobs shall be deemed created in year one
17 to the extent that the company's average employment
18 by quarter during year one exceeds the company's
19 average employment level during the company's base
20 period.

21 (B) New jobs shall be deemed created in year two
22 to the extent that the company's average employment
23 by quarter during year two exceeds the company's
24 average employment by quarter during year one.

25 (C) New jobs shall be deemed created in year
26 three to the extent that the company's average
27 employment by quarter during year three exceeds the
28 company's average employment by quarter during year
29 two.

30 [(b) Determination of new jobs created.--

1 (1) New jobs shall be deemed created in year one to the
2 extent that the company's average employment by quarter
3 during year one exceeds the company's average employment
4 level during the company's base period.

5 (2) New jobs shall be deemed created in year two to the
6 extent that the company's average employment by quarter
7 during year two exceeds the company's average employment by
8 quarter during year one.

9 (3) New jobs shall be deemed created in year three to
10 the extent that the company's average employment by quarter
11 during year three exceeds the company's average employment by
12 quarter during year two.]

13 (c) Applicable taxes.--A company may apply the tax credit to
14 100% of the company's State corporate net income tax, capital
15 stock and franchise tax or the capital stock and franchise tax
16 of a shareholder of the company if the company is a Pennsylvania
17 S corporation, gross premiums tax, gross receipts tax, bank and
18 trust company shares tax, mutual thrift institution tax, title
19 insurance company shares tax, personal income tax or the
20 personal income tax of shareholders of a Pennsylvania S
21 corporation or any combination thereof.

22 (d) Tax credit term.--A company may claim the job creation
23 tax credit for each new job created, as approved by the
24 department, for a period determined by the department but not to
25 exceed five years from the date the company first submits a job
26 creation tax credit certificate.

27 (e) Availability of tax credits.--Each fiscal year,
28 \$22,500,000 in tax credits shall be made available to the
29 department and may be awarded by the department in accordance
30 with this article. In addition, in any fiscal year, the

1 department may reissue or assign prior fiscal year tax credits
2 which have been recaptured under section 1806-B(a) or (b) and
3 may award prior fiscal year credits not previously issued. Prior
4 fiscal year credits may be reissued, assigned or awarded by the
5 department without limitation by section 1805-B(b).

6 Section 2. This act shall take effect immediately.