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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 306 Session of  
2011

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INTRODUCED BY PIPPY, ORIE, PICCOLA, BROWNE, ERICKSON, FONTANA,  
TOMLINSON, ALLOWAY, FARNESE, EICHELBERGER, KITCHEN, COSTA,  
MENSCH, EARLL, BOSCOLA AND M. WHITE, JANUARY 27, 2011

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REFERRED TO EDUCATION, JANUARY 27, 2011

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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," in educational improvement tax credit, further  
11 providing for the definitions of "educational improvement  
12 organization" and "innovative educational program."

13 The General Assembly of the Commonwealth of Pennsylvania  
14 hereby enacts as follows:

15 Section 1. The definitions of "educational improvement  
16 organization" and "innovative educational program" in section  
17 1702-F of the act of March 4, 1971 (P.L.6, No.2), known as the  
18 Tax Reform Code of 1971, added October 9, 2009 (P.L.451, No.48),  
19 are amended to read:

20 Section 1702-F. Definitions.

21 The following words and phrases when used in this article  
22 shall have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 \* \* \*

3 "Educational improvement organization." A nonprofit entity  
4 which:

5 (1) is exempt from Federal taxation under section 501(c)  
6 (3) of the Internal Revenue Code of 1986 (Public Law 99-514,  
7 26 U.S.C. § 1 et seq.); and

8 (2) contributes at least 80% of its annual receipts as  
9 grants to a public school, a chartered school as defined in  
10 section 1376.1(a) or a private school approved in accordance  
11 with section 1376 for innovative educational programs.

12 For purposes of this definition, a nonprofit entity  
13 "contributes" its annual cash receipts when it expends or  
14 otherwise irrevocably encumbers those funds for expenditure  
15 during the then current fiscal year of the nonprofit entity or  
16 during the next succeeding fiscal year of the nonprofit entity.

17 \* \* \*

18 "Innovative educational program." An advanced academic or  
19 similar program that is not part of the regular academic program  
20 of a public school but that enhances the curriculum or academic  
21 program of [the] a public school, chartered school as defined in  
22 section 1376.1(a) or private school approved in accordance with  
23 section 1376, or provides pre-kindergarten programs to public  
24 school students, students of a chartered school as defined in  
25 section 1376.1(a) or students of a private school approved in  
26 accordance with section 1376.

27 \* \* \*

28 Section 2. This act shall take effect immediately.