

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 695 Session of
2011

INTRODUCED BY WASHINGTON, HUGHES, FERLO, FONTANA, BREWSTER,
STACK, YUDICHAK, FARNESE, COSTA, BLAKE, BOSCOLA AND KITCHEN,
MAY 3, 2011

REFERRED TO COMMUNITY, ECONOMIC AND RECREATIONAL DEVELOPMENT,
MAY 3, 2011

AN ACT

1 Relating to taxpayer return on investment.

2 The General Assembly of the Commonwealth of Pennsylvania
3 hereby enacts as follows:

4 Section 1. Short title.

5 This act shall be known and may be cited as the Taxpayer
6 Return on Investment Act.

7 Section 2. Definitions.

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

11 "Business." A natural person, corporation, partnership,
12 limited liability company, business trust, other association or
13 any other legal entity engaged in a business for profit and
14 authorized to do business in this Commonwealth.

15 "Department." The Department of Community and Economic
16 Development of the Commonwealth.

1 "Financial assistance." Any grant awarded by the Department
2 of Community and Economic Development through a participating
3 program to a recipient in accordance with law.

4 "Participating program." The following programs administered
5 by the Department of Community and Economic Development:

6 (1) 12 Pa.C.S. Ch. 21 (relating to opportunity grants).

7 (2) 12 Pa.C.S. Ch. 34 (relating to infrastructure and
8 facilities improvement program).

9 (3) The Customized Job Training Program under Chapter 29
10 of the act of June 29, 1996 (P.L.434, No.67), known as the
11 Job Enhancement Act.

12 "Recipient." A business that has received financial
13 assistance from a participating program. The term includes any
14 business that has acquired, merged, purchased or is otherwise
15 operating the business of the original recipient.

16 Section 3. Repayment of financial assistance authorized.

17 The department may require a recipient of financial
18 assistance to repay a portion, or the total amount, of financial
19 assistance received from a participating program under this act.

20 Section 4. Repayment schedule and formula.

21 (a) Duties of department.--The department shall have the
22 following powers and duties:

23 (1) Four years after financial assistance is disbursed
24 by the department to a recipient through a participating
25 program, the department shall notify the Department of
26 Revenue and the recipient, in writing, whether the department
27 recommends that the recipient repay all or a portion of the
28 financial assistance.

29 (2) The recommendation under paragraph (1) shall be
30 based on profitability and success of the recipient after

1 receipt of the grant. In making the recommendation, the
2 department shall consider:

3 (i) The earnings history of the recipient in the
4 year prior to the awarding of the grant.

5 (ii) The earnings history of the recipient since it
6 received the grant.

7 (iii) The size of the gross sales, net sales and
8 earnings of the recipient.

9 (3) The written notice under paragraph (1) shall
10 include:

11 (i) The date or dates of the grant disbursement.

12 (ii) The intended purpose of the grant.

13 (iii) A copy of the final application submitted by
14 the recipient in applying for the grant.

15 (iv) A recommendation as to the whether the entire
16 amount, a portion or none of the grant should be repaid
17 by the recipient.

18 (b) Duties of Department of Revenue.--The Department of
19 Revenue shall have the following powers and duties:

20 (1) Upon receipt of written notice from the department
21 under subsection (a) (1), to determine a financial assistance
22 repayment schedule for the recipient. The Department of
23 Revenue shall use tax returns filed by the recipient in the
24 immediately preceding five tax years to determine the grant
25 repayment schedule and amount. The initial repayment schedule
26 shall be reported to the recipient and the department within
27 60 days after receiving the recommendation from the
28 department. The department or recipient may suggest in
29 writing a different payment schedule within ten days of
30 receipt of the payment schedule.

1 (2) To establish a schedule governing repayment of all
2 financial assistance awarded to recipients through
3 participating programs. The department shall establish a
4 repayment schedule that, at a minimum:

5 (i) Requires recipients to repay a portion or the
6 full amount of any financial assistance received from a
7 participating program upon completion of the project for
8 which the financial assistance was received.

9 (ii) Sets forth due dates for repayments to the
10 department, which shall be on a quarterly, semiannual or
11 annual basis.

12 (iii) Results in full repayment of the financial
13 assistance awarded not earlier than five years nor later
14 than ten years from the date the project is completed.

15 (3) To utilize collection powers granted to it under
16 Article II of the act of March 4, 1971 (P.L.6, No.2), known
17 as the Tax Reform Code of 1971, to collect financial
18 assistance repayments that are delinquent under the repayment
19 schedule.

20 Section 5. Regulations.

21 The department, in consultation with the Department of
22 Revenue, shall promulgate regulations implementing the
23 provisions of this act.

24 Section 10. Effective date.

25 This act shall take effect in 60 days.