

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 446 Session of 2013

INTRODUCED BY PYLE, METCALFE, SAINATO, MOUL, GINGRICH, CUTLER,
LONGIETTI, KAUFFMAN, EMRICK, PICKETT, LUCAS, MAJOR, M. K.
KELLER, EVERETT, BOBACK, HESS, KORTZ, FLECK, READSHAW,
OBERLANDER, GABLER, CLYMER, GROVE AND MURT, JANUARY 30, 2013

REFERRED TO COMMITTEE ON FINANCE, JANUARY 30, 2013

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:

16 ARTICLE XVII-J

17 DEER PROCESSOR'S TAX CREDIT

18 Section 1701-J. Scope.

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

20 Section 1702-J. Definitions.

21 The following words and phrases when used in this article

1 shall have the meanings given to them in this section unless the
2 context clearly indicates otherwise:

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

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

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

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

14 (2) A Pennsylvania S corporation.

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

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

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

23 "Tax credit." The deer processor's tax credit authorized
24 under this article.

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

28 Section 1703-J. Credit for qualified processing expense.

29 (a) Application.--A taxpayer may apply for a tax credit as
30 provided in this article when the taxpayer incurs a qualified

1 processing expense while donating the taxpayer's service to an
2 individual who wishes to donate all of the consumable venison
3 from a single deer to an accepting registered public charity. By
4 September 15, a taxpayer must submit an application to the
5 department for a qualified processing expense incurred in the
6 taxable year that ended in the prior calendar year.

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

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

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

21 Section 1704-J. Carryover, carryback, refund and assignment of
22 credit.

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

1 credit provided by this article may be carried over and applied
2 to succeeding taxable years for no more than fifteen taxable
3 years following the first taxable year for which the taxpayer
4 was entitled to claim the credit.

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

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

13 Section 1705-J. Time limitations.

14 A taxpayer is not entitled to a tax credit for qualified
15 processing expenses incurred in taxable years ending after
16 December 31, 2016.

17 Section 1706-J. Limitation on credits.

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

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

23 Section 1707-J. Shareholder, owner or member pass-through.

24 (a) Application to Pennsylvania S corporations.--If a
25 Pennsylvania S corporation does not have an eligible tax
26 liability against which the tax credit may be applied, a
27 shareholder of the Pennsylvania S corporation is entitled to a
28 tax credit equal to the tax credit determined for the
29 Pennsylvania S corporation for the taxable year multiplied by
30 the percentage of the Pennsylvania S corporation's distributive

1 income to which the shareholder is entitled.

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

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

17 Section 1708-J. Termination.

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

20 Section 1709-J. Regulations.

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

23 Section 2. This act shall apply to taxable years beginning
24 after December 31, 2012.

25 Section 3. This act shall take effect July 1, 2013, or
26 immediately, whichever is later.