
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2257 Session of
2014

INTRODUCED BY SIMS, BROWNLEE, PAINTER, THOMAS, O'BRIEN,
McCARTER, McNEILL, PASHINSKI, PARKER, MOLCHANY, GAINNEY,
HAGGERTY, V. BROWN, DONATUCCI, READSHAW AND FLYNN,
MAY 13, 2014

REFERRED TO COMMITTEE ON FINANCE, MAY 13, 2014

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 an Energy Star-rated product
11 manufacturing tax credit.

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

14 Section 1. Article XVIII-C heading of the act of March 4,
15 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, added
16 July 9, 2008 (P.L.922, No.66), is amended to read:

17 ARTICLE XVIII-C

18 [(Reserved)]

19 ENERGY STAR-RATED PRODUCT

20 MANUFACTURING TAX CREDIT

21 Section 2. The act is amended by adding sections to read:

1 Section 1801-C. 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 "Department." The Department of Revenue of the Commonwealth.

6 "Energy Star-rated product." A product that has been
7 certified as in compliance with and qualifies as an Energy Star
8 product pursuant to the Environmental Protection Agency and the
9 Department of Energy, Energy Star Program and bears the Energy
10 Star label.

11 "Energy Star-rated product manufacturing tax credit" or "tax
12 credit." The credit provided under this article.

13 "Qualified tax liability." The liability for taxes imposed
14 under Article III, IV, V or VI. The term does not include any
15 tax withheld by an employer from an employee under Article III.

16 "Taxpayer." An entity subject to tax under Article III, IV,
17 V or VI.

18 Section 1802-C. Eligible applicants.

19 A taxpayer that manufactures Energy Star-rated products may
20 apply for the Energy Star-rated product manufacturing tax credit
21 as provided under this article. By February 1 of each year, a
22 taxpayer must submit an application to the department for the
23 amount of costs identified under section 1803-C that were paid
24 in the taxable year that ended the prior calendar year.

25 Section 1803-C. Award of tax credits.

26 A taxpayer that is qualified under section 1802-C may receive
27 an Energy Star-rated product manufacturing tax credit for the
28 taxable year in an amount equal to 20% of the total amount of
29 all capital, operation and maintenance costs paid for
30 manufacturing Energy Star-related products in the taxable year

1 to be applied against the taxpayer's qualified tax liability.

2 Section 1804-C. Carryover and carryback of credit.

3 (a) Carryover.--If the taxpayer cannot use the entire amount
4 of the Energy Star-rated product manufacturing tax credit for
5 the taxable year in which the tax credit is first approved, the
6 excess may be carried over to succeeding taxable years and used
7 as a credit against the qualified tax liability of the taxpayer
8 for those taxable years. Each time that the tax credit is
9 carried over to a succeeding taxable year, it is to be reduced
10 by the amount that was used as a credit during the immediately
11 preceding taxable year. The tax credit provided under this
12 article may be carried over and applied to succeeding taxable
13 years for no more than five taxable years following the first
14 taxable year for which the taxpayer was entitled to claim the
15 tax credit.

16 (b) Application.--An Energy Star-rated product manufacturing
17 tax credit approved by the department in a taxable year first
18 shall be applied against the taxpayer's qualified tax liability
19 for the current taxable year as of the date on which the tax
20 credit was approved before the tax credit is applied against any
21 tax liability under subsection (a).

22 (c) Carryback.--A taxpayer is not entitled to carry back or
23 obtain a refund of an unused Energy Star-rated product
24 manufacturing tax credit.

25 Section 1805-C. Availability of tax credit.

26 Each fiscal year, \$10,000,000 in tax credits shall be made
27 available to the department and may be awarded by the department
28 in accordance with this article.

29 Section 1806-C. Regulations.

30 The department shall promulgate regulations necessary for the

1 implementation and administration of this article.

2 Section 3. The addition of sections 1801-C, 1802-C, 1803-C,
3 1804-C, 1805-C and 1806-C of the act shall apply to tax years
4 beginning after December 31, 2013.

5 Section 4. This act shall take effect immediately.