
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 229 Session of
2013

INTRODUCED BY BLAKE, FERLO, TEPLITZ, STACK, FONTANA, BREWSTER,
YUDICHAK, KASUNIC, BROWNE, SOLOBAY, COSTA, TARTAGLIONE,
FARNESE, WASHINGTON, HUGHES AND SCHWANK, MARCH 15, 2013

REFERRED TO FINANCE, MARCH 15, 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," further providing for definitions and for tax
11 credits.

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

14 Section 1. Sections 1801-B and 1804-B of the act of March 4,
15 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,
16 amended or added June 22, 2001 (P.L.353, No.23) and July 2, 2012
17 (P.L.751, No.85), are amended to read:

18 Section 1801-B. Definitions.

19 The following words and phrases when used in this article
20 shall have the meanings given to them in this section unless the
21 context clearly indicates otherwise:

22 "Base period." The three years preceding the date on which a

1 company may begin creating new jobs which may be eligible for
2 job creation tax credits.

3 "Department." The Department of Community and Economic
4 Development of the Commonwealth.

5 "Job creation tax credits." Tax credits for which the
6 department has issued a certificate under this article.

7 "New job." A full-time job, the average hourly rate,
8 excluding benefits, for which must be at least 150% of the
9 Federal minimum wage, created within a municipality located in
10 this Commonwealth by a company within three years from the start
11 date.

12 "Small business." A company that is engaged in a for-profit
13 enterprise and that employs 100 or fewer individuals.

14 "Start date." The date on which a company may begin creating
15 new jobs which may be eligible for job creation tax credits.

16 "Unemployed individual." An individual who at the time of
17 hiring meets all of the following:

18 [(1) Is hired on or after July 1, 2012.]

19 (2) Certifies by signed affidavit, under penalty of
20 perjury, that the individual has not been employed during the
21 60-day period ending on the date the individual begins
22 employment.

23 (3) Is not employed by the company to replace another
24 employee of the company unless the other employee separated
25 from employment voluntarily or for cause.

26 (4) Will perform duties connected to the new job for at
27 least 52 consecutive weeks.

28 "Year one." A one-year period immediately following the
29 start date.

30 "Year three." A one-year period immediately following the

1 end of year two.

2 "Year two." A one-year period immediately following the end
3 of year one.

4 Section 1804-B. Tax credits.

5 (a) Maximum amount.--A company may claim a tax credit of
6 \$1,000 per new job created, or \$2,500 per each new job created
7 if the newly created job is filled by an unemployed individual
8 hired after June 30, 2012, and before July 1, 2013, or \$4,000
9 per each new job created if the newly created job is filled by
10 an unemployed individual hired after June 30, 2013, up to the
11 maximum job creation tax credit amount specified in the
12 commitment letter.

13 (b) Determination of new jobs created.--

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

18 (2) New jobs shall be deemed created in year two to the
19 extent that the company's average employment by quarter
20 during year two exceeds the company's average employment by
21 quarter during year one.

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

26 (c) Applicable taxes.--A company may apply the tax credit to
27 100% of the company's State corporate net income tax, capital
28 stock and franchise tax or the capital stock and franchise tax
29 of a shareholder of the company if the company is a Pennsylvania
30 S corporation, gross premiums tax, gross receipts tax, bank and

1 trust company shares tax, mutual thrift institution tax, title
2 insurance company shares tax, personal income tax or the
3 personal income tax of shareholders of a Pennsylvania S
4 corporation or any combination thereof.

5 (d) Tax credit term.--A company may claim the job creation
6 tax credit for each new job created, as approved by the
7 department, for a one-year, two-year or three-year period as
8 authorized by the department, except that no tax credit may be
9 claimed for more than five years from the date the company first
10 submits a job creation tax credit certificate. Nothing under
11 this article shall be construed to prohibit the department from
12 awarding the total amount of tax credit authorized for a
13 multiple year tax credit in the first year in which the new job
14 is created and the tax credit earned.

15 (e) Availability of tax credits.--Each fiscal year,
16 \$10,100,000 in tax credits shall be made available to the
17 department and may be awarded by the department in accordance
18 with this article. In addition, in any fiscal year, the
19 department may reissue or assign prior fiscal year tax credits
20 which have been recaptured under section 1806-B(a) or (b) and
21 may award prior fiscal year credits not previously issued. Prior
22 fiscal year credits may be reissued, assigned or awarded by the
23 department without limitation by section 1805-B(b).

24 Section 2. This act shall take effect in 60 days.