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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 67 Session of  
2015

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INTRODUCED BY GREENLEAF, BREWSTER, FONTANA, GORDNER, BOSCOLA,  
COSTA, TARTAGLIONE, ALLOWAY AND RAFFERTY, JANUARY 14, 2015

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REFERRED TO FINANCE, JANUARY 14, 2015

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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," providing for a child-care tax credit.

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

13 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as  
14 the Tax Reform Code of 1971, is amended by adding an article to  
15 read:

16 ARTICLE XXII

17 CHILD-CARE TAX CREDIT

18 Section 2201. Short title of article.

19 This article shall be known and may be cited as the Child-  
20 Care Tax Credit Act.

21 Section 2202. Definitions.

22 The following words, terms and phrases, when used in this

1 article, shall have the meanings given to them in this section,  
2 except where the context clearly indicates otherwise:

3 "Business firm." A corporation, partnership or sole  
4 proprietorship authorized to do business in this Commonwealth  
5 and subject to any of the taxes imposed by Article III, IV, VI,  
6 VII, VIII, IX or XV.

7 "Contributions." Net payments made to a child-care program  
8 not operated by the business firm for child-care services for  
9 children of employees of the business firm.

10 "Credit." The child-care tax credit.

11 "Net costs." Amounts, exclusive of start-up expenses,  
12 expended for the operation of a child-care program reduced by  
13 the fees or charges paid by the users of the child-care program  
14 services.

15 Section 2203. Authorization of credit.

16 (a) Eligibility.--A business firm that operates its own  
17 child-care program which has been issued a valid license by the  
18 Department of Human Services shall be eligible for the tax  
19 credit.

20 (b) License from Department of Human Services required.--A  
21 business firm which makes contributions to a child-care program  
22 not operated by the business firm which has been issued a valid  
23 license by the Department of Human Services shall be eligible  
24 for the tax credit.

25 Section 2204. Calculation of credit.

26 (a) General rule.--The amount of the tax credit available to  
27 a business firm which qualifies under this article and operates  
28 its own not-for-profit child-care program shall be equal to 100%  
29 of the net costs expended for the operation and maintenance of  
30 the child-care program.

1 (b) Amount.--The amount of the tax credit available to a  
2 business firm which qualifies under this article and contributes  
3 to a child-care program not operated by the business firm shall  
4 be equal to 100% of the contributions made by the business firm  
5 to the child-care program.

6 Section 2205. Taxes against which credit may be taken.

7 (a) General rule.--Except as provided in subsection (b), the  
8 tax credit provided for in this article may be applied against  
9 any tax due under Article III, IV, VI, VII, VIII, IX or XV.

10 (b) Nonapplicable against employer withholding taxes.--The  
11 tax credit provided for in this article shall not be applied  
12 against employer withholding taxes required under Article III.

13 Section 2206. Powers and duties.

14 In addition to those powers created by any other act, the  
15 Secretary of Revenue shall have the power and it shall be the  
16 secretary's duty to:

17 (1) Promulgate and publish any rules and regulations  
18 which may be required to implement this article.

19 (2) Publish as a notice in the Pennsylvania Bulletin  
20 forms upon which taxpayers may apply for the tax credit  
21 authorized by this article.

22 Section 2. This act shall apply to taxable years beginning  
23 after December 31, 2014.

24 Section 3. This act shall take effect immediately.