

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1263 Session of 2015

INTRODUCED BY HUGHES, SCHWANK, BREWSTER, FONTANA, COSTA, HAYWOOD AND WILLIAMS, MAY 18, 2016

REFERRED TO FINANCE, MAY 18, 2016

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," in neighborhood assistance tax credit, further
 11 providing for definitions and for tax credit.

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

14 Section 1. The definition of "neighborhood organization" in
 15 section 1902-A of the act of March 4, 1971 (P.L.6, No.2), known
 16 as the Tax Reform Code of 1971, amended May 7, 1997 (P.L.85,
 17 No.7), is amended and the section is amended by adding a
 18 definition to read:

19 Section 1902-A. Definitions.--The following words, terms and
 20 phrases, when used in this article, shall have the meanings
 21 ascribed to them in this section, except where the context
 22 clearly indicates a different meaning:

1 "Affordable housing." Housing that serves median-income,
2 low-income, very low-income and extremely low-income families as
3 those terms are defined in section 3 of the United States
4 Housing Act of 1937 (50 Stat. 888, 42 U.S.C. § 1437 et seq.)
5 based on the area median income as determined by the Federal
6 Housing Finance Agency.

7 * * *

8 "Neighborhood organization." Any organization performing
9 community services, offering neighborhood assistance or
10 providing job training, affordable housing, education or crime
11 prevention in an impoverished area, holding a ruling from the
12 Internal Revenue Service of the United States Department of the
13 Treasury that the organization is exempt from income taxation
14 under the provisions of the Internal Revenue Code of 1986
15 (Public Law 99-514, 26 U.S.C. § 1 et seq.) and approved by the
16 Department of Community [Affairs] and Economic Development.

17 * * *

18 Section 2. Section 1904-A(a) of the act, amended July 25,
19 2007 (P.L.373, No.55), is amended to read:

20 Section 1904-A. Tax Credit.--(a) Any business firm which
21 engages or contributes to a neighborhood organization which
22 engages in the activities of providing neighborhood assistance,
23 comprehensive service projects, affordable housing, job training
24 or education for individuals, community services or crime
25 prevention in an impoverished area or private company which
26 makes qualified investment to rehabilitate, expand or improve
27 buildings or land located within portions of impoverished areas
28 which have been designated as enterprise zones shall receive a
29 tax credit as provided in section 1905-A if the secretary
30 annually approves the proposal of such business firm or private

1 company. The proposal shall set forth the program to be
2 conducted, the impoverished area selected, the estimated amount
3 to be invested in the program and the plans for implementing the
4 program.

5 * * *

6 Section 3. This act shall take effect in 60 days.