

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## HOUSE BILL

No. 542 Session of  
2017

INTRODUCED BY THOMAS, D. COSTA AND MICCARELLI, FEBRUARY 17, 2017

SENATOR BROWNE, APPROPRIATIONS, IN SENATE, RE-REPORTED AS  
AMENDED, JULY 26, 2017

## 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 tax for education, further providing for~~  
11 ~~definitions and providing for notice requirements for remote~~  
12  ~~sellers.~~

13 AMENDING THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), ENTITLED "AN <--  
14 ACT RELATING TO TAX REFORM AND STATE TAXATION BY CODIFYING  
15 AND ENUMERATING CERTAIN SUBJECTS OF TAXATION AND IMPOSING  
16 TAXES THEREON; PROVIDING PROCEDURES FOR THE PAYMENT,  
17 COLLECTION, ADMINISTRATION AND ENFORCEMENT THEREOF; PROVIDING  
18 FOR TAX CREDITS IN CERTAIN CASES; CONFERRING POWERS AND  
19 IMPOSING DUTIES UPON THE DEPARTMENT OF REVENUE, CERTAIN  
20 EMPLOYERS, FIDUCIARIES, INDIVIDUALS, PERSONS, CORPORATIONS  
21 AND OTHER ENTITIES; PRESCRIBING CRIMES, OFFENSES AND  
22 PENALTIES,"

23 FURTHER PROVIDING FOR THE TITLE OF THE ACT;  
24 IN SALES AND USE TAX, FURTHER PROVIDING FOR DEFINITIONS,  
25 FOR IMPOSITION OF TAX AND FOR EXCLUSIONS FROM TAX; PROVIDING  
26 FOR MARKETPLACE PROVIDERS AND MARKETPLACE SELLERS; FURTHER  
27 PROVIDING FOR REMOTE SALES REPORTS;  
28 IN PERSONAL INCOME TAX, PROVIDING FOR THE PENNSYLVANIA  
29 ABLE SAVINGS PROGRAM TAX EXEMPTION, REPEALING PROVISIONS  
30 RELATING TO CONTRIBUTION FOR KOREA/VIETNAM MEMORIAL NATIONAL  
31 EDUCATION CENTER AND FURTHER PROVIDING FOR OPERATIONAL

1 PROVISIONS;  
2 IN CORPORATE NET INCOME TAX, FURTHER PROVIDING FOR  
3 DEFINITIONS AND PROVIDING FOR QUALIFIED MANUFACTURING  
4 INNOVATION AND REINVESTMENT DEDUCTION;  
5 IN GROSS RECEIPTS TAX, FURTHER PROVIDING FOR IMPOSITION  
6 OF TAX AND ESTABLISHING THE NATURAL GAS OPTIMIZATION FUND AND  
7 NATURAL GAS OPTIMIZATION PROGRAM;  
8 IN REALTY TRANSFER TAX, FURTHER PROVIDING FOR DEFINITIONS  
9 AND FOR EXEMPT PARTIES;  
10 IN ENTERTAINMENT PRODUCTION TAX CREDIT, FURTHER PROVIDING  
11 FOR DEFINITIONS AND FOR CREDIT FOR QUALIFIED FILM PRODUCTION  
12 EXPENSES, PROVIDING FOR FILM PRODUCTION TAX CREDIT DISTRICTS  
13 AND ESTABLISHING THE ENTERTAINMENT ECONOMIC ENHANCEMENT  
14 PROGRAM;  
15 IN CITY REVITALIZATION AND IMPROVEMENT ZONES, FURTHER  
16 PROVIDING FOR RESTRICTIONS AND FOR TRANSFER OF PROPERTY;  
17 IN NEIGHBORHOOD IMPROVEMENT ZONES, FURTHER PROVIDING FOR  
18 DEFINITIONS AND PROVIDING FOR TRANSFER OF PROPERTY;  
19 IN KEYSTONE OPPORTUNITY ZONES, KEYSTONE OPPORTUNITY  
20 EXPANSION ZONES AND KEYSTONE OPPORTUNITY IMPROVEMENT ZONES,  
21 FURTHER PROVIDING FOR ADDITIONAL KEYSTONE OPPORTUNITY ZONES;  
22 IN INHERITANCE TAX, FURTHER PROVIDING FOR TIMELY MAILING  
23 TREATED AS TIMELY FILING AND PAYMENT;  
24 PROVIDING FOR AN ELECTRIC GRID VIRTUAL FINANCIAL  
25 TRANSACTIONS TAX;  
26 IN PUBLIC TRANSPORTATION ASSISTANCE FUND, FURTHER  
27 PROVIDING FOR FUND;  
28 PROVIDING FOR FIREWORKS, FOR UNCONVENTIONAL GAS WELLS,  
29 FOR UNCONVENTIONAL NATURAL GAS AIR QUALITY PROTECTION AND FOR  
30 ENVIRONMENTAL PERMITTING REFORM;  
31 IN PROCEDURE AND ADMINISTRATION, FURTHER PROVIDING FOR  
32 PETITION FOR REASSESSMENT, FOR PETITION PROCEDURE AND FOR  
33 REVIEW BY BOARD;  
34 PROVIDING FOR TOBACCO MASTER SETTLEMENT PAYMENT FUND;  
35 IN GENERAL PROVISIONS, FURTHER PROVIDING FOR TIMELY  
36 FILING;  
37 PROVIDING FOR SEVERABILITY; AND  
38 MAKING RELATED REPEALS.

39 The General Assembly of the Commonwealth of Pennsylvania  
40 hereby enacts as follows:

41 ~~Section 1. Section 201 of the act of March 4, 1971 (P.L.6, <--~~  
42 ~~No.2), known as the Tax Reform Code of 1971, is amended by~~  
43 ~~adding a clause to read:~~

44 ~~Section 201. Definitions. The following words, terms and~~  
45 ~~phrases when used in this Article II shall have the meaning~~

1 ascribed to them in this section, except where the context  
2 clearly indicates a different meaning:

3 \* \* \*

4 ~~(eee) "Remote seller." A vendor located outside this~~  
5 ~~Commonwealth that sells tangible personal property or services~~  
6 ~~that are not exempt from the tax imposed under this article to a~~  
7 ~~purchaser in this Commonwealth but does not collect the tax.~~

8 Section 2. The act is amended by adding a section to read:

9 ~~Section 248.7. Notice Requirements for Remote Sellers. (a)~~  
10 ~~A remote seller making a sale in this Commonwealth shall notify~~  
11 ~~the purchaser that sales or use tax is due on the nonexempt~~  
12 ~~purchase and that the Commonwealth requires the purchaser to pay~~  
13 ~~the tax due on the purchaser's tax return. Failure to provide~~  
14 ~~the notice required under this subsection shall subject the~~  
15 ~~remote seller to a penalty of five dollars (\$5.00) for each~~  
16 ~~failure, unless the remote seller shows reasonable cause for the~~  
17 ~~failure.~~

18 ~~(b) On or before January 31 of each year, a remote seller~~  
19 ~~shall send notice to each purchaser in this Commonwealth who~~  
20 ~~made five hundred dollars (\$500.00) or more of purchases from~~  
21 ~~the remote seller in the previous calendar year. The notice~~  
22 ~~shall include all of the following:~~

23 ~~(1) The total amount paid by the purchaser for purchases~~  
24 ~~made from the remote seller in the previous calendar year.~~

25 ~~(2) A statement that the Commonwealth requires a sales or~~  
26 ~~use tax return to be filed and sales or use tax to be paid on~~  
27 ~~nonexempt purchases made by the purchaser from the remote~~  
28 ~~seller.~~

29 ~~(3) Any information required by the department by rule.~~  
30 ~~The notice shall be sent separately by first class mail or~~

1 ~~electronic mail and may not be included with any other~~  
2 ~~shipments. The notice shall include the name of the remote~~  
3 ~~seller and the words "Important Tax Document Enclosed" on the~~  
4 ~~exterior of the mailing. Failure to send the notice required~~  
5 ~~under this subsection shall subject the remote seller to a~~  
6 ~~penalty of ten dollars (\$10.00) for each failure, unless the~~  
7 ~~remote seller shows reasonable cause for the failure.~~

8 ~~(c) The department is authorized to adopt rules and~~  
9 ~~procedures and create forms necessary to implement this section.~~

10 ~~Section 3. This act shall take effect in 60 days.~~

11 SECTION 1. THE TITLE OF THE ACT OF MARCH 4, 1971 (P.L.6, <--  
12 NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, IS AMENDED TO READ:

13 AN ACT

14 RELATING TO TAX REFORM AND STATE TAXATION BY CODIFYING AND  
15 ENUMERATING CERTAIN SUBJECTS OF TAXATION AND IMPOSING TAXES  
16 THEREON; PROVIDING PROCEDURES FOR THE PAYMENT, COLLECTION,  
17 ADMINISTRATION AND ENFORCEMENT THEREOF; PROVIDING FOR TAX  
18 CREDITS IN CERTAIN CASES; PROVIDING FOR ENVIRONMENTAL  
19 PERMITTING; CONFERRING POWERS AND IMPOSING DUTIES UPON THE  
20 DEPARTMENT OF REVENUE, CERTAIN EMPLOYERS, FIDUCIARIES,  
21 INDIVIDUALS, PERSONS, CORPORATIONS AND OTHER ENTITIES;  
22 PRESCRIBING CRIMES, OFFENSES AND PENALTIES.

23 SECTION 1.1. SECTION 201(M) OF THE ACT, AMENDED JULY 13,  
24 2016 (P.L.526, NO.84), IS AMENDED AND THE SECTION IS AMENDED BY  
25 ADDING CLAUSES TO READ:

26 SECTION 201. DEFINITIONS.--THE FOLLOWING WORDS, TERMS AND  
27 PHRASES WHEN USED IN THIS ARTICLE II SHALL HAVE THE MEANING  
28 ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT  
29 CLEARLY INDICATES A DIFFERENT MEANING:

30 \* \* \*

1 (M) "TANGIBLE PERSONAL PROPERTY."

2 (1) CORPOREAL PERSONAL PROPERTY INCLUDING, BUT NOT LIMITED  
3 TO, GOODS, WARES, MERCHANDISE, STEAM AND NATURAL AND  
4 MANUFACTURED AND BOTTLED GAS FOR NON-RESIDENTIAL USE,  
5 ELECTRICITY FOR NON-RESIDENTIAL USE, PREPAID TELECOMMUNICATIONS,  
6 PREMIUM CABLE OR PREMIUM VIDEO PROGRAMMING SERVICE, SPIRITUOUS  
7 OR VINOUS LIQUOR AND MALT OR BREWED BEVERAGES AND SOFT DRINKS,  
8 INTERSTATE TELECOMMUNICATIONS SERVICE ORIGINATING OR TERMINATING  
9 IN THE COMMONWEALTH AND CHARGED TO A SERVICE ADDRESS IN THIS  
10 COMMONWEALTH, INTRASTATE TELECOMMUNICATIONS SERVICE WITH THE  
11 EXCEPTION OF (I) SUBSCRIBER LINE CHARGES AND BASIC LOCAL  
12 TELEPHONE SERVICE FOR RESIDENTIAL USE AND (II) CHARGES FOR  
13 TELEPHONE CALLS PAID FOR BY INSERTING MONEY INTO A TELEPHONE  
14 ACCEPTING DIRECT DEPOSITS OF MONEY TO OPERATE, PROVIDED FURTHER,  
15 THE SERVICE ADDRESS OF ANY INTRASTATE TELECOMMUNICATIONS SERVICE  
16 IS DEEMED TO BE WITHIN THIS COMMONWEALTH OR WITHIN A POLITICAL  
17 SUBDIVISION, REGARDLESS OF HOW OR WHERE BILLED OR PAID. IN THE  
18 CASE OF ANY SUCH INTERSTATE OR INTRASTATE TELECOMMUNICATIONS  
19 SERVICE, ANY CHARGE PAID THROUGH A CREDIT OR PAYMENT MECHANISM  
20 WHICH DOES NOT RELATE TO A SERVICE ADDRESS, SUCH AS A BANK,  
21 TRAVEL, CREDIT OR DEBIT CARD, BUT NOT INCLUDING PREPAID  
22 TELECOMMUNICATIONS, IS DEEMED ATTRIBUTABLE TO THE ADDRESS OF  
23 ORIGINATION OF THE TELECOMMUNICATIONS SERVICE.

24 (2) THE TERM SHALL INCLUDE THE FOLLOWING, WHETHER  
25 ELECTRONICALLY OR DIGITALLY DELIVERED, STREAMED OR ACCESSED AND  
26 WHETHER PURCHASED SINGLY, BY SUBSCRIPTION OR IN ANY OTHER  
27 MANNER, INCLUDING MAINTENANCE[, ] AND UPDATES [AND SUPPORT]:

28 (I) VIDEO;

29 (II) PHOTOGRAPHS;

30 (III) BOOKS;

1 (IV) ANY OTHER OTHERWISE TAXABLE PRINTED MATTER;  
2 (V) APPLICATIONS, COMMONLY KNOWN AS APPS;  
3 (VI) GAMES;  
4 (VII) MUSIC;  
5 (VIII) ANY OTHER AUDIO, INCLUDING SATELLITE RADIO SERVICE;  
6 (IX) CANNED SOFTWARE, NOTWITHSTANDING THE FUNCTION  
7 PERFORMED, INCLUDING SUPPORT, EXCEPT SEPARATELY INVOICED HELP  
8 DESK OR CALL CENTER SUPPORT; OR

9 (X) ANY OTHER OTHERWISE TAXABLE TANGIBLE PERSONAL PROPERTY  
10 ELECTRONICALLY OR DIGITALLY DELIVERED, STREAMED OR ACCESSED.

11 \* \* \*

12 (EEE) "MARKETPLACE PROVIDER." A PERSON WHO, EITHER DIRECTLY  
13 OR INDIRECTLY THROUGH AGREEMENTS OR ARRANGEMENTS WITH THIRD  
14 PARTIES AND PURSUANT TO AN AGREEMENT WITH A MARKETPLACE SELLER,  
15 FACILITATES A SALE BY A MARKETPLACE SELLER. FOR PURPOSES OF THIS  
16 DEFINITION, A PERSON "FACILITATES A SALE" IF THE PERSON OR AN  
17 AFFILIATED PERSON:

18 (1) COLLECTS THE PAYMENT MADE BY A CUSTOMER TO OR FOR A  
19 MARKETPLACE SELLER REGARDLESS OF WHETHER THE MARKETPLACE  
20 PROVIDER RECEIVES COMPENSATION OR OTHER CONSIDERATION IN  
21 EXCHANGE FOR ITS SERVICES; AND

22 (2) PROVIDES THE FORUM IN WHICH, OR BY MEANS OF WHICH, THE  
23 SALE TAKES PLACE, INCLUDING A SHOP, A STORE, A BOOTH, AN  
24 INTERNET WEBSITE, A CATALOG OR A SIMILAR FORUM.

25 (FFF) "MARKETPLACE SELLER." A PERSON, WHETHER OR NOT THE  
26 PERSON IS REQUIRED TO REGISTER TO COLLECT TAX UNDER THIS  
27 ARTICLE, WHO:

28 (1) HAS AN AGREEMENT WITH A MARKETPLACE PROVIDER UNDER WHICH  
29 THE MARKETPLACE PROVIDER WILL FACILITATE SALES FOR THE PERSON;  
30 AND

1       (2) MAKES SALES AT RETAIL SUBJECT TO TAX UNDER THIS ARTICLE.

2       SECTION 2.   SECTION 202 (A) OF THE ACT IS AMENDED TO READ:

3       SECTION 202.   IMPOSITION OF TAX.--(A)   THERE IS HEREBY  
4   IMPOSED UPON EACH SEPARATE SALE AT RETAIL OF TANGIBLE PERSONAL  
5   PROPERTY OR SERVICES, AS DEFINED HEREIN, WITHIN THIS  
6   COMMONWEALTH A TAX OF SIX PER CENT OF THE PURCHASE PRICE, WHICH  
7   TAX SHALL BE COLLECTED BY THE VENDOR FROM THE PURCHASER, OR BY  
8   THE MARKETPLACE PROVIDER FOR EACH SEPARATE SALE AT RETAIL  
9   FACILITATED FOR A MARKETPLACE SELLER, AND SHALL BE PAID OVER TO  
10  THE COMMONWEALTH AS HEREIN PROVIDED.

11       \* \* \*

12       SECTION 2.1.   SECTION 204 (13) OF THE ACT, AMENDED JULY 13,  
13  2016 (P.L.526, NO.84), IS AMENDED TO READ:

14       SECTION 204.   EXCLUSIONS FROM TAX.--THE TAX IMPOSED BY  
15  SECTION 202 SHALL NOT BE IMPOSED UPON ANY OF THE FOLLOWING:

16       \* \* \*

17       (13)   THE SALE AT RETAIL, OR USE OF WRAPPING PAPER, WRAPPING  
18  TWINE, BAGS, CARTONS, TAPE, ROPE, LABELS, NONRETURNABLE  
19  CONTAINERS [AND], ALL OTHER WRAPPING SUPPLIES AND KEGS USED TO  
20  CONTAIN MALT OR BREWED BEVERAGES, WHEN SUCH USE IS INCIDENTAL TO  
21  THE DELIVERY OF ANY PERSONAL PROPERTY, EXCEPT THAT ANY CHARGE  
22  FOR WRAPPING OR PACKAGING SHALL BE SUBJECT TO TAX AT THE RATE  
23  IMPOSED BY SECTION 202, UNLESS THE PROPERTY WRAPPED OR PACKAGED  
24  WILL BE RESOLD BY THE PURCHASER OF THE WRAPPING OR PACKAGING  
25  SERVICE. AS USED IN THIS PARAGRAPH, THE TERM "CARTONS" INCLUDES  
26  CORRUGATED BOXES USED BY A PERSON ENGAGED IN THE MANUFACTURE OF  
27  SNACK FOOD PRODUCTS TO DELIVER THE MANUFACTURED PRODUCT, WHETHER  
28  OR NOT THE BOXES ARE RETURNABLE FOR POTENTIAL REUSE.

29       \* \* \*

30       SECTION 2.2.   ARTICLE II OF THE ACT IS AMENDED BY ADDING A

1 PART TO READ:

2 PART V-A

3 MARKETPLACE PROVIDERS AND MARKETPLACE SELLERS

4 SECTION 213. MARKETPLACE PROVIDERS AND MARKETPLACE

5 SELLERS.-- (A) A MARKETPLACE PROVIDER SHALL:

6 (1) COMPLY WITH ALL OF THE PROVISIONS OF THIS ARTICLE WITH  
7 RESPECT TO THE COLLECTION OF TAX BY VENDORS;

8 (2) HAVE ALL THE DUTIES, BENEFITS AND ENTITLEMENTS OF A  
9 PERSON REQUIRED TO COLLECT TAX UNDER THIS ARTICLE WITH RESPECT  
10 TO SALES FACILITATED FOR A MARKETPLACE SELLER, AS IF THE  
11 MARKETPLACE PROVIDER WERE THE VENDOR WITH RESPECT TO THE SALE,  
12 INCLUDING THE RIGHT TO RECEIVE THE REFUND AUTHORIZED BY SECTION  
13 247 OR SECTION 247.1; AND

14 (3) KEEP THE RECORDS AND INFORMATION REQUIRED OF A VENDOR  
15 UNDER THIS ARTICLE.

16 (B) A MARKETPLACE SELLER IS NOT A PERSON REQUIRED TO COLLECT  
17 TAX FOR PURPOSES OF THIS SECTION REGARDING A PARTICULAR SALE AT  
18 RETAIL IF:

19 (1) THE MARKETPLACE SELLER CAN SHOW THAT THE SALE WAS  
20 FACILITATED BY A MARKETPLACE PROVIDER FROM WHOM THE SELLER HAS  
21 RECEIVED A PROPERLY COMPLETED CERTIFICATE OF COLLECTION ON A  
22 FORM PRESCRIBED BY THE DEPARTMENT CERTIFYING THAT THE  
23 MARKETPLACE PROVIDER IS REGISTERED TO COLLECT TAX AND WILL  
24 COLLECT TAX ON ALL TAXABLE SALES BY THE MARKETPLACE SELLER AND  
25 WITH OTHER INFORMATION AS THE DEPARTMENT MAY PRESCRIBE; AND

26 (2) ANY FAILURE OF THE MARKETPLACE PROVIDER TO COLLECT THE  
27 PROPER AMOUNT OF TAX IN REGARD TO THE SALE WAS NOT THE RESULT OF  
28 THE MARKETPLACE SELLER PROVIDING THE MARKETPLACE PROVIDER WITH  
29 INCORRECT INFORMATION.

30 (C) THIS SECTION SHALL BE ADMINISTERED IN A MANNER

1 CONSISTENT WITH THIS ARTICLE AS IF A CERTIFICATE OF COLLECTION  
2 WERE A RESALE OR EXEMPTION CERTIFICATE, INCLUDING WITH REGARD TO  
3 THE COMPLETENESS OF THE CERTIFICATE OF COLLECTION AND THE TIMING  
4 OF ITS ACCEPTANCE BY THE MARKETPLACE SELLER, PROVIDED THAT, WITH  
5 REGARD TO ANY SALES BY A MARKETPLACE SELLER THAT ARE FACILITATED  
6 BY A MARKETPLACE PROVIDER WHO IS AFFILIATED WITH THE MARKETPLACE  
7 SELLER, THE MARKETPLACE SELLER SHALL BE DEEMED LIABLE AS A  
8 PERSON UNDER A DUTY TO ACT FOR THE MARKETPLACE PROVIDER FOR  
9 PURPOSES OF THIS ARTICLE.

10 (D) A MARKETPLACE PROVIDER IS RELIEVED OF LIABILITY UNDER  
11 THIS SECTION FOR FAILURE TO COLLECT THE CORRECT AMOUNT OF TAX TO  
12 THE EXTENT THAT THE MARKETPLACE PROVIDER CAN SHOW THAT THE ERROR  
13 WAS DUE TO INCORRECT INFORMATION GIVEN TO THE MARKETPLACE  
14 PROVIDER BY THE MARKETPLACE SELLER. THIS SUBSECTION SHALL NOT  
15 APPLY IF THE MARKETPLACE SELLER AND MARKETPLACE PROVIDER ARE  
16 AFFILIATED.

17 (E) FOR PURPOSES OF THIS SECTION, TWO PERSONS ARE AFFILIATED  
18 IF ONE PERSON HAS AN OWNERSHIP INTEREST OF MORE THAN FIVE PER  
19 CENT, WHETHER DIRECT OR INDIRECT, IN THE OTHER, OR WHERE AN  
20 OWNERSHIP INTEREST OF MORE THAN FIVE PER CENT, WHETHER DIRECT OR  
21 INDIRECT, IS HELD IN EACH OF THE PERSONS BY ANOTHER PERSON OR BY  
22 A GROUP OF OTHER PERSONS WHICH ARE AFFILIATED PERSONS WITH  
23 RESPECT TO EACH OTHER.

24 SECTION 2.3. SECTION 278 OF THE ACT IS AMENDED BY ADDING A  
25 SUBSECTION TO READ:

26 SECTION 278. REMOTE SALES REPORTS.--\* \* \*

27 (C) IF FEDERAL LEGISLATION RELATING TO REMOTE SELLERS HAS  
28 NOT BEEN ENACTED BY DECEMBER 31, 2018, THE INDEPENDENT FISCAL  
29 OFFICE, IN CONJUNCTION WITH THE DEPARTMENT OF REVENUE, SHALL  
30 CONDUCT A STUDY ASSESSING THE LEGAL IMPLICATIONS AND FISCAL

1 IMPACT OF MANDATING NOTICE REQUIREMENTS FOR REMOTE SELLERS. BY  
2 APRIL 1, 2019, RESULTS OF THE STUDY, IF A STUDY IS PRODUCED,  
3 SHALL BE PROVIDED TO THE CHAIRMAN AND MINORITY CHAIRMAN OF THE  
4 APPROPRIATIONS COMMITTEE OF THE SENATE, THE CHAIRMAN AND  
5 MINORITY CHAIRMAN OF THE FINANCE COMMITTEE OF THE SENATE, THE  
6 CHAIRMAN AND MINORITY CHAIRMAN OF THE APPROPRIATIONS COMMITTEE  
7 OF THE HOUSE OF REPRESENTATIVES AND THE CHAIRMAN AND MINORITY  
8 CHAIRMAN OF THE FINANCE COMMITTEE OF THE HOUSE OF  
9 REPRESENTATIVES.

10 SECTION 3. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

11 SECTION 304.2. PENNSYLVANIA ABLE SAVINGS PROGRAM TAX  
12 EXEMPTION.--(A) THE FOLLOWING SHALL BE EXEMPT FROM ALL TAXATION  
13 BY THE COMMONWEALTH AND ITS POLITICAL SUBDIVISIONS:

14 (1) UNDISTRIBUTED EARNINGS ON AN ACCOUNT.

15 (2) AN AMOUNT DISTRIBUTED FROM AN ACCOUNT THAT IS NOT  
16 INCLUDED IN GROSS INCOME UNDER SECTION 529A(C)(1) OF THE  
17 INTERNAL REVENUE CODE.

18 (B) THE FOLLOWING SHALL APPLY:

19 (1) AN AMOUNT CONTRIBUTED TO AN ACCOUNT SHALL BE DEDUCTIBLE  
20 FROM THE TAXABLE INCOME OF THE CONTRIBUTOR UNDER THIS ARTICLE  
21 FOR THE TAX YEAR THE CONTRIBUTION WAS MADE.

22 (2) THE TOTAL CONTRIBUTIONS MADE BY A CONTRIBUTOR DURING A  
23 TAXABLE YEAR TO ALL ACCOUNTS THAT ARE ALLOWABLE AS A DEDUCTION  
24 UNDER THIS SECTION SHALL NOT EXCEED THE DOLLAR AMOUNT UNDER  
25 SECTION 2503(B) OF THE INTERNAL REVENUE CODE.

26 (3) THE DEDUCTION SHALL NOT RESULT IN THE CONTRIBUTOR'S  
27 TAXABLE INCOME BEING LESS THAN ZERO.

28 (4) THE DEPARTMENT AND THE TREASURY DEPARTMENT SHALL  
29 COOPERATE IN VERIFYING ACCOUNT INFORMATION RELATING TO  
30 CONTRIBUTIONS TO AN ACCOUNT ITEMIZED BY A CONTRIBUTOR AND THE

1 CONTRIBUTOR'S SPECIFIC CONTRIBUTIONS.

2 (C) AN AMOUNT THAT IS DISTRIBUTED FROM AN ACCOUNT AND NOT  
3 OTHERWISE EXEMPT FROM TAXATION UNDER THIS SECTION SHALL BE  
4 TAXABLE INCOME TO THE DESIGNATED BENEFICIARY UNDER THIS ARTICLE.

5 (D) A CHANGE IN DESIGNATED BENEFICIARIES UNDER SECTION  
6 529A(C) OF THE INTERNAL REVENUE CODE SHALL NOT CONSTITUTE A  
7 TAXABLE EVENT.

8 (E) AS USED IN THIS SECTION, THE FOLLOWING WORDS AND PHRASES  
9 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SUBSECTION UNLESS  
10 THE CONTEXT CLEARLY INDICATES OTHERWISE:

11 "ACCOUNT." AN ABLE SAVINGS ACCOUNT AS DEFINED IN SECTION 102  
12 OF THE PENNSYLVANIA ABLE ACT.

13 "CONTRIBUTOR." AN INDIVIDUAL WHO MAKES A CONTRIBUTION TO AN  
14 ACCOUNT AS DEFINED IN SECTION 102 OF THE PENNSYLVANIA ABLE ACT.

15 "DESIGNATED BENEFICIARY." THE TERM SHALL HAVE THE SAME  
16 MEANING AS PROVIDED IN SECTION 102 OF THE PENNSYLVANIA ABLE ACT.

17 "INTERNAL REVENUE CODE." THE INTERNAL REVENUE CODE OF 1986  
18 (PUBLIC LAW 99-514, 26 U.S.C. § 1 ET SEQ.), AS AMENDED.

19 "PENNSYLVANIA ABLE ACT." THE ACT OF APRIL 18, 2016 (P.L.128,  
20 NO.17), KNOWN AS THE PENNSYLVANIA ABLE ACT.

21 "PENNSYLVANIA ABLE SAVINGS PROGRAM." THE PROGRAM ESTABLISHED  
22 UNDER THE PENNSYLVANIA ABLE ACT.

23 "QUALIFIED DISABILITY EXPENSE." THE TERM SHALL HAVE THE SAME  
24 MEANING AS PROVIDED IN SECTION 102 OF THE PENNSYLVANIA ABLE ACT.

25 "ROLLOVER DISTRIBUTION." THE TERM SHALL HAVE THE SAME  
26 MEANING AS PROVIDED IN SECTION 102 OF THE PENNSYLVANIA ABLE ACT

27 \* \* \*

28 SECTION 4. SECTION 315.6 OF THE ACT IS REPEALED:

29 [SECTION 315.6. CONTRIBUTION FOR KOREA/VIETNAM MEMORIAL  
30 NATIONAL EDUCATION CENTER.--(A) FOR TAX YEARS 1997, 1998, 1999,

1 2000, 2001, 2002, 2003 AND 2004, THE DEPARTMENT SHALL PROVIDE A  
2 SPACE ON THE FACE OF THE PENNSYLVANIA INDIVIDUAL INCOME TAX  
3 RETURN FORM WHEREBY AN INDIVIDUAL MAY VOLUNTARILY DESIGNATE A  
4 CONTRIBUTION OF ANY AMOUNT FROM THE INDIVIDUAL'S TAX REFUND TO  
5 THE KOREA/VIETNAM MEMORIAL NATIONAL EDUCATION CENTER.

6 (B) THE AMOUNT DESIGNATED BY AN INDIVIDUAL ON THE  
7 PENNSYLVANIA INDIVIDUAL INCOME TAX RETURN FORM SHALL BE DEDUCTED  
8 FROM THE TAX REFUND TO WHICH THE INDIVIDUAL IS ENTITLED AND  
9 SHALL NOT CONSTITUTE A CHARGE AGAINST THE INCOME TAX REVENUES  
10 DUE THE COMMONWEALTH.

11 (C) THE DEPARTMENT SHALL DETERMINE ANNUALLY THE TOTAL AMOUNT  
12 DESIGNATED BY INDIVIDUAL TAXPAYERS UNDER THIS SECTION AND SHALL  
13 REPORT THE AMOUNT TO THE STATE TREASURER, WHO SHALL PREPARE THE  
14 APPROPRIATE DOCUMENTATION AND TRANSFER THE DESIGNATED AMOUNT  
15 FROM THE GENERAL FUND TO THE KOREA/VIETNAM MEMORIAL NATIONAL  
16 EDUCATION CENTER.

17 (D) THE DEPARTMENT SHALL PROVIDE ADEQUATE INFORMATION  
18 REGARDING THE CENTER AND ITS PURPOSES IN ITS INSTRUCTIONS FOR  
19 TAX YEARS 1997, 1998, 1999, 2000, 2001, 2002, 2003 AND 2004  
20 WHICH ACCOMPANY PENNSYLVANIA INDIVIDUAL INCOME TAX RETURN FORMS  
21 TO INCLUDE THE ADDRESS OF THE KOREA/VIETNAM MEMORIAL NATIONAL  
22 EDUCATION CENTER TO WHICH CONTRIBUTIONS MAY BE SENT BY TAXPAYERS  
23 WHO WISH TO MAKE ADDITIONAL CONTRIBUTIONS TO THE CENTER.

24 (E) ON OR BEFORE MARCH 31 OF EACH YEAR, THE KOREA/VIETNAM  
25 MEMORIAL NATIONAL EDUCATION CENTER SHALL SUBMIT A REPORT  
26 DETAILING CONTRIBUTIONS RECEIVED AND ACTIVITIES UNDERTAKEN  
27 DURING THE PRIOR CALENDAR YEAR TO THE MILITARY AND VETERANS '  
28 AFFAIRS COMMITTEE OF THE SENATE AND THE VETERANS AFFAIRS AND  
29 EMERGENCY PREPAREDNESS COMMITTEE OF THE HOUSE OF  
30 REPRESENTATIVES.

1 (F) THIS SECTION SHALL EXPIRE DECEMBER 31, 2005.]

2 SECTION 4.1. SECTION 315.9(B.1) AND (C) OF THE ACT ARE  
3 AMENDED TO READ:

4 SECTION 315.9. OPERATIONAL PROVISIONS.--

5 \* \* \*

6 (B.1) NOTWITHSTANDING SUBSECTION (B), THE CHECKOFFS  
7 ESTABLISHED IN SECTIONS 315.2 [AND], 315.3, 315.4, 315.7, 315.8,  
8 315.10 AND 315.11 SHALL NOT EXPIRE.

9 [(C) SECTIONS 315.3, 315.4 AND 315.8 SHALL EXPIRE JANUARY 1,  
10 2018.]

11 SECTION 4.2. SECTION 401(3)4(C) OF THE ACT IS AMENDED AND  
12 THE SUBSECTION IS AMENDED BY ADDING A CLAUSE TO READ:

13 SECTION 401. DEFINITIONS.--THE FOLLOWING WORDS, TERMS, AND  
14 PHRASES, WHEN USED IN THIS ARTICLE, SHALL HAVE THE MEANING  
15 ASCRIBED TO THEM IN THIS SECTION, EXCEPT WHERE THE CONTEXT  
16 CLEARLY INDICATES A DIFFERENT MEANING:

17 \* \* \*

18 (3) "TAXABLE INCOME." \* \* \*

19 4. \* \* \*

20 (C) (1) THE NET LOSS DEDUCTION SHALL BE THE LESSER OF:

21 (A) (I) FOR TAXABLE YEARS BEGINNING BEFORE JANUARY 1, 2007,  
22 TWO MILLION DOLLARS (\$2,000,000);

23 (II) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2006,  
24 THE GREATER OF TWELVE AND ONE-HALF PER CENT OF TAXABLE INCOME AS  
25 DETERMINED UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR  
26 THREE MILLION DOLLARS (\$3,000,000);

27 (III) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2008,  
28 THE GREATER OF FIFTEEN PER CENT OF TAXABLE INCOME AS DETERMINED  
29 UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR THREE  
30 MILLION DOLLARS (\$3,000,000);

1 (IV) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2009,  
2 THE GREATER OF TWENTY PER CENT OF TAXABLE INCOME AS DETERMINED  
3 UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR THREE  
4 MILLION DOLLARS (\$3,000,000);

5 (V) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2013, THE  
6 GREATER OF TWENTY-FIVE PER CENT OF TAXABLE INCOME AS DETERMINED  
7 UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR FOUR MILLION  
8 DOLLARS (\$4,000,000);

9 (VI) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2014,  
10 THE GREATER OF THIRTY PER CENT OF TAXABLE INCOME AS DETERMINED  
11 UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR FIVE MILLION  
12 DOLLARS (\$5,000,000); [OR]

13 (VII) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2017,  
14 THIRTY-FIVE PER CENT OF TAXABLE INCOME AS DETERMINED UNDER  
15 SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2;

16 (VIII) FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2018,  
17 FORTY PER CENT OF TAXABLE INCOME AS DETERMINED UNDER SUBCLAUSE 1  
18 OR, IF APPLICABLE, SUBCLAUSE 2;

19 (B) THE AMOUNT OF THE NET LOSS OR LOSSES WHICH MAY BE  
20 CARRIED OVER TO THE TAXABLE YEAR OR TAXABLE INCOME AS DETERMINED  
21 UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2.

22 (1.1) IN NO EVENT SHALL THE NET LOSS DEDUCTION INCLUDE MORE  
23 THAN FIVE HUNDRED THOUSAND DOLLARS (\$500,000), IN THE AGGREGATE,  
24 OF NET LOSSES FROM TAXABLE YEARS 1988 THROUGH 1994.

25 (2) (A) A NET LOSS FOR A TAXABLE YEAR MAY ONLY BE CARRIED  
26 OVER PURSUANT TO THE FOLLOWING SCHEDULE:

| 27 | TAXABLE YEAR | CARRYOVER       |
|----|--------------|-----------------|
| 28 | 1981         | 1 TAXABLE YEAR  |
| 29 | 1982         | 2 TAXABLE YEARS |
| 30 | 1983-1987    | 3 TAXABLE YEARS |

|    |                     |                      |
|----|---------------------|----------------------|
| 1  | 1988                | 2 TAXABLE YEARS PLUS |
| 2  |                     | 1 TAXABLE YEAR       |
| 3  |                     | STARTING WITH THE    |
| 4  |                     | 1995 TAXABLE YEAR    |
| 5  | 1989                | 1 TAXABLE YEAR PLUS  |
| 6  |                     | 2 TAXABLE YEARS      |
| 7  |                     | STARTING WITH THE    |
| 8  |                     | 1995 TAXABLE YEAR    |
| 9  | 1990-1993           | 3 TAXABLE YEARS      |
| 10 |                     | STARTING WITH THE    |
| 11 |                     | 1995 TAXABLE YEAR    |
| 12 | 1994                | 1 TAXABLE YEAR       |
| 13 | 1995-1997           | 10 TAXABLE YEARS     |
| 14 | 1998 AND THEREAFTER | 20 TAXABLE YEARS     |

15 (B) THE EARLIEST NET LOSS SHALL BE CARRIED OVER TO THE  
16 EARLIEST TAXABLE YEAR TO WHICH IT MAY BE CARRIED UNDER THIS  
17 SCHEDULE. THE TOTAL NET LOSS DEDUCTION ALLOWED IN ANY TAXABLE  
18 YEAR SHALL NOT EXCEED:

19 (I) TWO MILLION DOLLARS (\$2,000,000) FOR TAXABLE YEARS  
20 BEGINNING BEFORE JANUARY 1, 2007.

21 (II) THE GREATER OF TWELVE AND ONE-HALF PER CENT OF THE  
22 TAXABLE INCOME AS DETERMINED UNDER SUBCLAUSE 1 OR, IF  
23 APPLICABLE, SUBCLAUSE 2 OR THREE MILLION DOLLARS (\$3,000,000)  
24 FOR TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2006.

25 (III) THE GREATER OF FIFTEEN PER CENT OF THE TAXABLE INCOME  
26 AS DETERMINED UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2  
27 OR THREE MILLION DOLLARS (\$3,000,000) FOR TAXABLE YEARS  
28 BEGINNING AFTER DECEMBER 31, 2008.

29 (IV) THE GREATER OF TWENTY PER CENT OF THE TAXABLE INCOME AS  
30 DETERMINED UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR

1 THREE MILLION DOLLARS (\$3,000,000) FOR TAXABLE YEARS BEGINNING  
2 AFTER DECEMBER 31, 2009.

3 (V) THE GREATER OF TWENTY-FIVE PER CENT OF TAXABLE INCOME AS  
4 DETERMINED UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR  
5 FOUR MILLION DOLLARS (\$4,000,000) FOR TAXABLE YEARS BEGINNING  
6 AFTER DECEMBER 31, 2013.

7 (VI) THE GREATER OF THIRTY PER CENT OF TAXABLE INCOME AS  
8 DETERMINED UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 OR  
9 FIVE MILLION DOLLARS (\$5,000,000) FOR TAXABLE YEARS BEGINNING  
10 AFTER DECEMBER 31, 2014.

11 (VII) THIRTY-FIVE PER CENT OF TAXABLE INCOME AS DETERMINED  
12 UNDER SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 FOR TAXABLE  
13 YEARS BEGINNING AFTER DECEMBER 31, 2017.

14 (VIII) FORTY PER CENT OF TAXABLE INCOME AS DETERMINED UNDER  
15 SUBCLAUSE 1 OR, IF APPLICABLE, SUBCLAUSE 2 FOR TAXABLE YEARS  
16 BEGINNING AFTER DECEMBER 31, 2018.

17 (C.1) A DEDUCTION UNDER PART IV.1 SHALL BE ALLOWED FROM  
18 TAXABLE INCOME AS PROSCRIBED IN A SATISFACTION COMMITMENT LETTER  
19 EXECUTED BETWEEN THE DEPARTMENT OF COMMUNITY AND ECONOMIC  
20 DEVELOPMENT AND A TAXPAYER UNDER SECTION 407.7(C).

21 \* \* \*

22 SECTION 4.3. ARTICLE IV OF THE ACT IS AMENDED BY ADDING A  
23 PART TO READ:

24 PART IV-A

25 QUALIFIED MANUFACTURING INNOVATION

26 AND REINVESTMENT DEDUCTION

27 SECTION 407.6. DEFINITIONS.--(A) FOR THE PURPOSES OF THIS  
28 PART ONLY, THE FOLLOWING WORDS, TERMS AND PHRASES SHALL HAVE THE  
29 MEANING ASCRIBED TO THEM IN THIS SUBSECTION, EXCEPT WHERE THE  
30 CONTEXT CLEARLY INDICATES A DIFFERENT MEANING:

1 (1) "ANNUAL TAXABLE PAYROLL." THE TOTAL AMOUNT OF WAGES  
2 PAID IN THIS COMMONWEALTH BY A TAXPAYER FOR THE BASE YEAR OR  
3 YEAR ONE, AS APPLICABLE, FROM WHICH PERSONAL INCOME TAX UNDER  
4 ARTICLE III IS WITHHELD.

5 (2) "BASE YEAR." THE FOUR CALENDAR QUARTERS PRECEDING THE  
6 START DATE.

7 (3) "DEPARTMENT." THE DEPARTMENT OF COMMUNITY AND ECONOMIC  
8 DEVELOPMENT OF THE COMMONWEALTH.

9 (4) "MANUFACTURE." THE MECHANICAL, PHYSICAL, BIOLOGICAL OR  
10 CHEMICAL TRANSFORMATION OF MATERIALS, SUBSTANCES OR COMPONENTS  
11 INTO NEW PRODUCTS THAT ARE CREATIONS OF NEW ITEMS OF TANGIBLE  
12 PERSONAL PROPERTY FOR SALE.

13 (5) "QUALIFIED MANUFACTURING INNOVATION AND REINVESTMENT  
14 DEDUCTION." AN ALLOWABLE DEDUCTION AS DETERMINED, CALCULATED  
15 AND EXECUTED IN A COMMITMENT LETTER BETWEEN THE DEPARTMENT AND  
16 THE TAXPAYER.

17 (6) "QUALIFIED TAX LIABILITY." A TAXPAYER'S TAX LIABILITY  
18 UNDER THIS ARTICLE.

19 (7) "START DATE." THE FIRST DAY OF THE CALENDAR QUARTER IN  
20 WHICH A TAXPAYER ADVISES THE DEPARTMENT OF THE TAXPAYER'S INTENT  
21 TO INITIATE AN ELIGIBLE PROJECT UNLESS THE APPLICANT REQUESTS  
22 AND THE DEPARTMENT AGREES TO A LATER START DATE.

23 (8) "TAXPAYER." AN EMPLOYER SUBJECT TO THE TAX UNDER THIS  
24 ARTICLE.

25 (9) "YEAR ONE." THE FOUR CALENDAR QUARTERS IMMEDIATELY  
26 FOLLOWING THE START DATE.

27 SECTION 407.7. MANUFACTURING INNOVATION AND REINVESTMENT  
28 DEDUCTION.-- (A) IN ORDER TO BE ELIGIBLE TO RECEIVE A  
29 MANUFACTURING INNOVATION AND REINVESTMENT DEDUCTION, A TAXPAYER  
30 MUST DEMONSTRATE TO THE DEPARTMENT A CAPITAL INVESTMENT IN

1 EXCESS OF ONE HUNDRED MILLION DOLLARS (\$100,000,000) FOR THE  
2 CREATION OF NEW OR REFURBISHED MANUFACTURING CAPACITY WITHIN  
3 THREE YEARS OF A DESIGNATED START DATE.

4 (B) (1) A TAXPAYER MUST ADVISE THE DEPARTMENT IN ADVANCE OF  
5 THE START DATE OF ANY PROJECT FOR WHICH THE TAXPAYER MAY SEEK A  
6 QUALIFIED MANUFACTURING INNOVATION AND REINVESTMENT DEDUCTION. A  
7 TAXPAYER MUST ATTEST THE TAXPAYER'S INTENT TO MEET THE  
8 ELIGIBILITY CRITERIA AND PROVIDE RELEVANT INFORMATION PERTINENT  
9 TO THE PROJECT'S SIZE AND SCOPE IN A MANNER AS DETERMINED BY THE  
10 DEPARTMENT.

11 (2) WITHIN FIVE YEARS OF A PROJECT'S START DATE, A TAXPAYER  
12 MUST COMPLETE TO THE DEPARTMENT'S SATISFACTION AN APPLICATION ON  
13 A FORM AND IN A MANNER AS DETERMINED BY THE DEPARTMENT TO ATTEST  
14 THAT THE PROJECT HAS BEEN COMPLETED AND THE ELIGIBILITY CRITERIA  
15 HAS BEEN SATISFIED.

16 (C) UPON THE RECEIPT OF THE TAXPAYER'S APPLICATION, THE  
17 DEPARTMENT OF REVENUE MUST MAKE A FINDING THAT THE APPLICANT HAS  
18 FILED ALL REQUIRED STATE TAX REPORTS AND RETURNS FOR ALL  
19 APPLICABLE TAX YEARS AND PAID ANY BALANCE OF STATE TAX DUE AS  
20 DETERMINED AT SETTLEMENT, ASSESSMENT OR DETERMINATION AND THE  
21 DEPARTMENT, THEN IN CONJUNCTION WITH THE DEPARTMENT OF REVENUE,  
22 SHALL MAKE AN ELIGIBILITY OR SATISFACTION DETERMINATION WITHIN  
23 NINETY DAYS OF SUBMISSION. IF THE DEPARTMENT MAKES A  
24 SATISFACTION DETERMINATION, THE DEPARTMENT AND THE TAXPAYER  
25 SHALL EXECUTE A SATISFACTION COMMITMENT LETTER CONTAINING THE  
26 FOLLOWING:

27 (1) THE NUMBER OF NEW JOBS CREATED AND THEIR CORRESPONDING  
28 DESCRIPTION.

29 (2) THE NUMBER OF NEW JOBS CREATED DURING CONSTRUCTION OF  
30 THE PROJECT.

1 (3) THE AMOUNT OF PRIVATE CAPITAL INVESTMENT IN THE CREATION  
2 OF NEW JOBS.

3 (4) THE INCREASE IN THE ANNUAL TAXABLE PAYROLL ATTRIBUTABLE  
4 TO NEW MANUFACTURING JOBS.

5 (5) A DETERMINATION OF THE MAXIMUM ALLOWABLE DEDUCTION  
6 AGAINST A TAXPAYER'S QUALIFIED TAX LIABILITY UNDER THIS ARTICLE.

7 (6) ANY OTHER INFORMATION AS THE DEPARTMENT DEEMS  
8 APPROPRIATE.

9 (D) (1) UPON DETERMINING A TAXPAYER'S SATISFACTION OF THE  
10 ELIGIBILITY CRITERIA, THE DEPARTMENT SHALL CALCULATE THE MAXIMUM  
11 ALLOWABLE DEDUCTION THAT A TAXPAYER MAY CLAIM AGAINST THE  
12 TAXPAYER'S TAXABLE INCOME UNDER THIS ARTICLE. THE DEDUCTION  
13 SHALL BE EQUAL TO FIVE PER CENT OF THE PRIVATE CAPITAL  
14 INVESTMENT UTILIZED IN THE CREATION OF NEW OR REFURBISHED  
15 MANUFACTURING CAPACITY PER TAX YEAR FOR A PERIOD OF FIVE YEARS.

16 (2) A TAXPAYER MAY UTILIZE THE AMOUNT OF THE DEDUCTION IN  
17 EACH YEAR OF THE SUCCEEDING FIVE TAX YEARS IMMEDIATELY FOLLOWING  
18 THE DEPARTMENT'S SATISFACTION DETERMINATION AND THE EXECUTION OF  
19 A SATISFACTION COMMITMENT LETTER.

20 (3) A TAXPAYER CANNOT USE THE DEDUCTION TO REDUCE ITS TAX  
21 LIABILITY BY MORE THAN FIFTY PER CENT OF THE TAX LIABILITY UNDER  
22 THIS ARTICLE FOR THE TAXABLE YEAR. THE DEDUCTION IS  
23 NONTRANSFERABLE AND ANY UNUSED PORTION IN A TAX YEAR SHALL  
24 EXPIRE AT THE END OF THE CORRESPONDING TAX YEAR.

25 SECTION 4.4. SECTION 1101(A) INTRODUCTORY PARAGRAPH, (B)  
26 HEADING AND INTRODUCTORY PARAGRAPH, (C), (C.1), (E) AND (F) OF  
27 THE ACT, AMENDED JULY 13, 2016 (P.L.526, NO.84), ARE AMENDED AND  
28 THE SECTION IS AMENDED BY ADDING SUBSECTIONS TO READ:

29 SECTION 1101. IMPOSITION OF TAX.--(A) GENERAL RULE.--EVERY  
30 PIPELINE COMPANY, CONDUIT COMPANY, STEAMBOAT COMPANY, CANAL

1 COMPANY, SLACK WATER NAVIGATION COMPANY, TRANSPORTATION COMPANY,  
2 AND EVERY OTHER COMPANY, ASSOCIATION, JOINT-STOCK ASSOCIATION,  
3 OR LIMITED PARTNERSHIP, NOW OR HEREAFTER INCORPORATED OR  
4 ORGANIZED BY OR UNDER ANY LAW OF THIS COMMONWEALTH, OR NOW OR  
5 HEREAFTER ORGANIZED OR INCORPORATED BY ANY OTHER STATE OR BY THE  
6 UNITED STATES OR ANY FOREIGN GOVERNMENT, AND DOING BUSINESS IN  
7 THIS COMMONWEALTH, AND EVERY COPARTNERSHIP, PERSON OR PERSONS  
8 OWING, OPERATING OR LEASING TO OR FROM ANOTHER CORPORATION,  
9 COMPANY, ASSOCIATION, JOINT-STOCK ASSOCIATION, LIMITED  
10 PARTNERSHIP, COPARTNERSHIP, PERSON OR PERSONS, ANY PIPELINE,  
11 CONDUIT, STEAMBOAT, CANAL, SLACK WATER NAVIGATION, OR OTHER  
12 DEVICE FOR THE TRANSPORTATION OF FREIGHT, PASSENGERS, BAGGAGE,  
13 OR OIL, EXCEPT MOTOR VEHICLES AND RAILROADS, AND EVERY LIMITED  
14 PARTNERSHIP, ASSOCIATION, JOINT-STOCK ASSOCIATION, CORPORATION  
15 OR COMPANY ENGAGED IN, OR HEREINAFTER ENGAGED IN, THE  
16 TRANSPORTATION OF FREIGHT OR OIL WITHIN THIS STATE, AND EVERY  
17 TELEPHONE COMPANY, TELEGRAPH COMPANY OR PROVIDER OF MOBILE  
18 TELECOMMUNICATIONS SERVICES NOW OR HEREAFTER INCORPORATED OR  
19 ORGANIZED BY OR UNDER ANY LAW OF THIS COMMONWEALTH, OR NOW OR  
20 HEREAFTER ORGANIZED OR INCORPORATED BY ANY OTHER STATE OR BY THE  
21 UNITED STATES OR ANY FOREIGN GOVERNMENT AND DOING BUSINESS IN  
22 THIS COMMONWEALTH, AND EVERY LIMITED PARTNERSHIP, ASSOCIATION,  
23 JOINT-STOCK ASSOCIATION, COPARTNERSHIP, PERSON OR PERSONS,  
24 ENGAGED IN TELEPHONE OR TELEGRAPH BUSINESS OR PROVIDING MOBILE  
25 TELECOMMUNICATIONS SERVICES IN THIS COMMONWEALTH, SHALL PAY TO  
26 THE STATE TREASURER, THROUGH THE DEPARTMENT OF REVENUE, A TAX  
27 [OF FORTY-FIVE MILLS WITH A SURTAX EQUAL TO FIVE MILLS] AT THE  
28 RATE SET FORTH IN SUBSECTION (J.1) UPON EACH DOLLAR OF THE GROSS  
29 RECEIPTS OF THE CORPORATION, COMPANY OR ASSOCIATION, LIMITED  
30 PARTNERSHIP, JOINT-STOCK ASSOCIATION, COPARTNERSHIP, PERSON OR

1 PERSONS RECEIVED FROM:

2 \* \* \*

3 (B) ELECTRIC LIGHT, WATERPOWER AND HYDRO-ELECTRIC  
4 [UTILITIES] COMPANIES.--EVERY ELECTRIC LIGHT COMPANY, WATERPOWER  
5 COMPANY AND HYDRO-ELECTRIC COMPANY NOW OR HEREAFTER INCORPORATED  
6 OR ORGANIZED BY OR UNDER ANY LAW OF THIS COMMONWEALTH, OR NOW OR  
7 HEREAFTER ORGANIZED OR INCORPORATED BY ANY OTHER STATE OR BY THE  
8 UNITED STATES OR ANY FOREIGN GOVERNMENT AND DOING BUSINESS IN  
9 THIS COMMONWEALTH, AND EVERY LIMITED PARTNERSHIP, ASSOCIATION,  
10 JOINT-STOCK ASSOCIATION, COPARTNERSHIP, PERSON OR PERSONS,  
11 ENGAGED IN ELECTRIC LIGHT AND POWER BUSINESS, WATERPOWER  
12 BUSINESS AND HYDRO-ELECTRIC BUSINESS IN THIS COMMONWEALTH, SHALL  
13 PAY TO THE STATE TREASURER, THROUGH THE DEPARTMENT OF REVENUE, A  
14 TAX [OF FORTY-FOUR MILLS] AT THE RATE SET FORTH IN SUBSECTION  
15 (J.1) UPON EACH DOLLAR OF THE GROSS RECEIPTS OF THE CORPORATION,  
16 COMPANY OR ASSOCIATION, LIMITED PARTNERSHIP, JOINT-STOCK  
17 ASSOCIATION, COPARTNERSHIP, PERSON OR PERSONS, RECEIVED FROM:

18 \* \* \*

19 (B.2) NATURAL GAS SUPPLY AND NATURAL GAS DISTRIBUTION  
20 COMPANIES.--

21 (1) EVERY NATURAL GAS SUPPLY COMPANY AND NATURAL GAS  
22 DISTRIBUTION COMPANY, INCORPORATED OR ORGANIZED UNDER THE LAWS  
23 OF THE UNITED STATES, THIS COMMONWEALTH, A STATE OR A FOREIGN  
24 GOVERNMENT, ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION  
25 AND DOING BUSINESS IN THIS COMMONWEALTH, AND EVERY LIMITED  
26 PARTNERSHIP, ASSOCIATION, JOINT-STOCK ASSOCIATION,  
27 COPARTNERSHIP, OR PERSON, ENGAGED IN NATURAL GAS SUPPLY OR  
28 NATURAL GAS DISTRIBUTION BUSINESS IN THIS COMMONWEALTH, SHALL  
29 PAY TO THE STATE TREASURER, THROUGH THE DEPARTMENT OF REVENUE, A  
30 TAX AT THE RATE SET FORTH IN SUBSECTION (J.1) UPON EACH DOLLAR

1 OF THE GROSS RECEIPTS OF THE CORPORATION, COMPANY OR  
2 ASSOCIATION, LIMITED PARTNERSHIP, JOINT-STOCK ASSOCIATION,  
3 COPARTNERSHIP OR PERSON, RECEIVED FROM THE SALES AND DELIVERY OF  
4 NATURAL GAS TO RETAIL GAS CUSTOMERS WITHIN THIS COMMONWEALTH,  
5 EXCEPT GROSS RECEIPTS DERIVED FROM:

6 (I) SALES OF LIQUEFIED PETROLEUM GAS;

7 (II) (RESERVED);

8 (III) (RESERVED);

9 (IV) SALES TO AN ELECTRIC GENERATION COMPANY THAT ARE  
10 CONSUMED FOR THE PURPOSE OF GENERATING ELECTRICITY; AND

11 (V) GROSS RECEIPTS DERIVED FROM THE SALES FOR RESALE TO  
12 PERSONS, PARTNERSHIPS, ASSOCIATIONS OR CORPORATIONS SUBJECT TO  
13 THE TAX IMPOSED BY THIS ACT UPON GROSS RECEIPTS DERIVED FROM THE  
14 RESALE.

15 (2) FOR PURPOSES OF THIS SUBSECTION, SALES OF NATURAL GAS TO  
16 RETAIL GAS CUSTOMERS SHALL INCLUDE ALL RECEIPTS FROM NATURAL GAS  
17 SUPPLY SERVICES AND NATURAL GAS DISTRIBUTION SERVICES.

18 (3) FOR THE PURPOSES OF THIS SUBSECTION, THE TERMS "NATURAL  
19 GAS DISTRIBUTION SERVICES," "NATURAL GAS SUPPLY SERVICES" AND  
20 "RETAIL GAS CUSTOMERS" SHALL HAVE THE SAME MEANINGS AS THE TERMS  
21 HAVE IN 66 PA.C.S. § 2202 (RELATING TO DEFINITIONS).

22 (C) PAYMENT OF TAX; REPORTS.--THE SAID TAXES IMPOSED UNDER  
23 SUBSECTIONS (A) [AND (B)], (B) AND (B.2) SHALL BE PAID WITHIN  
24 THE TIME PRESCRIBED BY LAW, AND FOR THE PURPOSE OF ASCERTAINING  
25 THE AMOUNT OF THE SAME, IT SHALL BE THE DUTY OF THE TREASURER OR  
26 OTHER PROPER OFFICER OF THE SAID COMPANY, COPARTNERSHIP, LIMITED  
27 PARTNERSHIP, ASSOCIATION, JOINT-STOCK ASSOCIATION OR  
28 CORPORATION, OR PERSON OR PERSONS, TO TRANSMIT TO THE DEPARTMENT  
29 OF REVENUE ON OR BEFORE MARCH 15 OF EACH YEAR AN ANNUAL REPORT,  
30 AND UNDER OATH OR AFFIRMATION, OF THE AMOUNT OF GROSS RECEIPTS

1 OF THE SAID COMPANIES, COPARTNERSHIPS, CORPORATIONS,  
2 ASSOCIATIONS, JOINT-STOCK ASSOCIATIONS, LIMITED PARTNERSHIPS,  
3 PERSON OR PERSONS, DERIVED FROM ALL SOURCES, AND OF GROSS  
4 RECEIPTS FROM BUSINESS DONE WHOLLY WITHIN THIS STATE AND IN THE  
5 CASE OF ELECTRIC ENERGY PRODUCERS THAT TRANSMIT ENERGY TO OTHER  
6 STATES REFERRED TO IN CLAUSE (2) OF SUBSECTION (B), A  
7 COMPILATION OF THE RELEVANT INFORMATION REGARDING OPERATING AND  
8 MAINTENANCE EXPENSES AND DEPRECIATION, DURING THE PERIOD OF  
9 TWELVE MONTHS IMMEDIATELY PRECEDING JANUARY 1 OF EACH YEAR.

10 (C.1) SAFE HARBOR BASE YEAR.--FOR PURPOSES OF THE ESTIMATED  
11 TAX REQUIREMENTS UNDER SECTIONS 3003.2 AND 3003.3, THE "SAFE  
12 HARBOR BASE YEAR" TAX AMOUNT FOR PROVIDERS OF MOBILE  
13 TELECOMMUNICATIONS SERVICES AND FOR A NATURAL GAS SUPPLY COMPANY  
14 AND A NATURAL GAS DISTRIBUTION COMPANY SUBJECT TO THE PROVISIONS  
15 OF SUBSECTION (B.2) SHALL BE THE AMOUNT THAT WOULD HAVE BEEN  
16 REQUIRED TO BE PAID BY THE TAXPAYER IF THE TAXPAYER HAD BEEN  
17 SUBJECT TO THIS ARTICLE.

18 (E) TIME TO FILE REPORTS.--THE TIME FOR FILING ANNUAL  
19 REPORTS MAY BE EXTENDED, ESTIMATED ASSESSMENTS MAY BE MADE BY  
20 THE DEPARTMENT OF REVENUE IF REPORTS ARE NOT FILED, AND THE  
21 PENALTIES FOR FAILING TO FILE REPORTS AND PAY THE TAXES IMPOSED  
22 UNDER SUBSECTION (A) [AND (B)], (B) AND (B.2) SHALL BE AS  
23 PRESCRIBED BY THE LAWS DEFINING THE POWERS AND DUTIES OF THE  
24 DEPARTMENT OF REVENUE. IN ANY CASE WHERE THE WORKS OF ANY  
25 CORPORATION, COMPANY, COPARTNERSHIP, ASSOCIATION, JOINT-STOCK  
26 ASSOCIATION, LIMITED PARTNERSHIP, PERSON OR PERSONS ARE OPERATED  
27 BY ANOTHER CORPORATION, COMPANY, COPARTNERSHIP, ASSOCIATION,  
28 JOINT-STOCK ASSOCIATION, LIMITED PARTNERSHIP, PERSON OR PERSONS,  
29 THE TAXES IMPOSED UNDER SUBSECTIONS (A) [AND (B)], (B) AND (B.2)  
30 SHALL BE APPORTIONED BETWEEN THE CORPORATIONS, COMPANIES,

1 COPARTNERSHIPS, ASSOCIATIONS, JOINT-STOCK ASSOCIATIONS, LIMITED  
2 PARTNERSHIPS, PERSON OR PERSONS IN ACCORDANCE WITH THE TERMS OF  
3 THEIR RESPECTIVE LEASES OR AGREEMENTS, BUT FOR THE PAYMENT OF  
4 THE SAID TAXES THE COMMONWEALTH SHALL FIRST LOOK TO THE  
5 CORPORATION, COMPANY, COPARTNERSHIP, ASSOCIATION, JOINT-STOCK  
6 ASSOCIATION, LIMITED PARTNERSHIP, PERSON OR PERSONS OPERATING  
7 THE WORKS, AND UPON PAYMENT BY THE SAID COMPANY, CORPORATION,  
8 COPARTNERSHIP, ASSOCIATION, JOINT-STOCK ASSOCIATION, LIMITED  
9 PARTNERSHIP, PERSON OR PERSONS OF A TAX UPON THE RECEIPTS, AS  
10 HEREIN PROVIDED, DERIVED FROM THE OPERATION THEREOF, NO OTHER  
11 CORPORATION, COMPANY, COPARTNERSHIP, ASSOCIATION, JOINT-STOCK  
12 ASSOCIATION, LIMITED PARTNERSHIP, PERSON OR PERSONS SHALL BE  
13 HELD LIABLE FOR ANY TAX IMPOSED UNDER SUBSECTIONS (A) [AND (B)],  
14 (B) AND (B.2) UPON THE PROPORTION OF SAID RECEIPTS RECEIVED BY  
15 SAID CORPORATION, COMPANY, COPARTNERSHIP, ASSOCIATION, JOINT-  
16 STOCK ASSOCIATION, LIMITED PARTNERSHIP, PERSON OR PERSONS FOR  
17 THE USE OF SAID WORKS.

18 (F) APPLICATION TO MUNICIPALITIES.--THIS ARTICLE SHALL BE  
19 CONSTRUED TO APPLY TO MUNICIPALITIES, AND TO IMPOSE A TAX UPON  
20 THE GROSS RECEIPTS DERIVED FROM ANY MUNICIPALITY OWNED OR  
21 OPERATED PUBLIC UTILITY OR FROM ANY PUBLIC UTILITY SERVICE,  
22 NATURAL GAS DISTRIBUTION SERVICE OR NATURAL GAS SUPPLY SERVICE  
23 FURNISHED BY ANY MUNICIPALITY, EXCEPT THAT, EXCEPT AS PROVIDED  
24 UNDER SUBSECTION (F.1), GROSS RECEIPTS SHALL BE EXEMPT FROM THE  
25 TAX, TO THE EXTENT THAT SUCH GROSS RECEIPTS ARE DERIVED FROM  
26 BUSINESS DONE INSIDE THE LIMITS OF THE MUNICIPALITY, OWNING OR  
27 OPERATING THE PUBLIC UTILITY OR FURNISHING THE PUBLIC UTILITY  
28 SERVICE.

29 (F.1) CERTAIN GROSS RECEIPTS TAXED.--THE EXEMPTION FROM TAX  
30 UNDER SUBSECTION (F) SHALL NOT APPLY TO GROSS RECEIPTS RECEIVED

1 FROM THE SALES AND DELIVERY OF NATURAL GAS TO RETAIL GAS  
2 CUSTOMERS UNDER SUBSECTION (B.2).

3 \* \* \*

4 (J.1) THE TAX IMPOSED UNDER THIS SECTION SHALL BE IMPOSED AT  
5 THE FOLLOWING RATES:

6 (1) SIXTY MILLS FOR RECEIPTS SUBJECT TO TAX UNDER SUBSECTION  
7 (A).

8 (2) FIFTY MILLS FOR RECEIPTS SUBJECT TO TAX UNDER SUBSECTION  
9 (B).

10 (3) FIFTY-SEVEN MILLS FOR RECEIPTS SUBJECT TO TAX UNDER  
11 SUBSECTION (B.2).

12 (J.2) SCHEDULE FOR CERTAIN PAYMENTS.--

13 (1) FOR CALENDAR YEAR 2017, THE TAX APPLICABLE TO THE  
14 PAYMENT OF THE TAX UNDER SUBSECTION (B.2) SHALL BE DUE ON MARCH  
15 15, 2018.

16 (2) FOR CALENDAR YEAR 2018, THE FOLLOWING SCHEDULE APPLIES  
17 TO THE PAYMENT OF THE TAX UNDER SUBSECTION (B.2):

18 (I) FIFTY PER CENT OF THE ESTIMATED TAX SHALL BE DUE ON  
19 MARCH 15, 2018.

20 (II) FIFTY PER CENT OF THE ESTIMATED TAX SHALL BE DUE ON  
21 JUNE 15, 2018.

22 (3) FOR CALENDAR YEARS AFTER 2018, THE PAYMENT OF THE  
23 ESTIMATED TAX UNDER SUBSECTION (B.2) SHALL BE DUE IN ACCORDANCE  
24 WITH SECTION 3003.2.

25 \* \* \*

26 SECTION 5. ARTICLE XI OF THE ACT IS AMENDED BY ADDING PARTS  
27 TO READ:

28 PART V  
29 NATURAL GAS OPTIMIZATION FUND  
30 SECTION 1111. NATURAL GAS OPTIMIZATION FUND.

1 THE NATURAL GAS OPTIMIZATION FUND IS ESTABLISHED IN THE STATE  
2 TREASURY.

3 SECTION 1112. TRANSFER OF FUNDS.

4 (A) NATURAL GAS OPTIMIZATION FUND.--MONEY FROM THE TAX  
5 IMPOSED UNDER SECTION 1101(B.2) SHALL BE DEPOSITED INTO THE  
6 GENERAL FUND. TWENTY MILLION DOLLARS OF THE MONEY DEPOSITED INTO  
7 THE GENERAL FUND UNDER THIS SECTION SHALL BE TRANSFERRED  
8 ANNUALLY TO THE NATURAL GAS OPTIMIZATION FUND ESTABLISHED IN  
9 SECTION 1111.

10 (B) LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM.--TWENTY  
11 MILLION DOLLARS OF THE MONEY DEPOSITED INTO THE GENERAL FUND IN  
12 ACCORDANCE WITH THIS SECTION SHALL BE TRANSFERRED ANNUALLY TO  
13 THE DEPARTMENT OF HUMAN SERVICES OF THE COMMONWEALTH TO AUGMENT  
14 ACTIVITIES RELATED TO THE LOW-INCOME HOME ENERGY ASSISTANCE  
15 PROGRAM AS AUTHORIZED UNDER SECTIONS 201 AND 206 OF ARTICLE II  
16 OF THE ACT OF JUNE 13, 1967 (P.L.31, NO.21), KNOWN AS THE HUMAN  
17 SERVICES CODE.

18 PART VI

19 NATURAL GAS OPTIMIZATION PROGRAM

20 SECTION 1113. DEFINITIONS.

21 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS PART SHALL  
22 HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
23 CONTEXT CLEARLY INDICATES OTHERWISE:

24 "COMMISSION." THE PENNSYLVANIA PUBLIC UTILITY COMMISSION.

25 "ELIGIBLE APPLICANT." A NATURAL GAS DISTRIBUTION COMPANY  
26 SUBJECT TO THE TAX IMPOSED UNDER SECTION 1101(B.2).

27 "FUND." THE NATURAL GAS OPTIMIZATION FUND ESTABLISHED UNDER  
28 SECTION 1111.

29 "PROGRAM." THE NATURAL GAS OPTIMIZATION PROGRAM ESTABLISHED  
30 UNDER SECTION 1114.

1 SECTION 1114. NATURAL GAS OPTIMIZATION PROGRAM.

2 (A) ESTABLISHMENT AND PURPOSE.--THE NATURAL GAS OPTIMIZATION  
3 PROGRAM IS ESTABLISHED AND THE PROGRAM'S PURPOSE SHALL BE TO  
4 FUND PROJECTS AS PERMITTED UNDER THIS PART.

5 (B) FUNDING.--GRANTS MADE UNDER THIS SECTION SHALL BE MADE  
6 FROM THE FUND.

7 (C) GRANTS.--

8 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2), FOR FISCAL  
9 YEARS BEGINNING 2017-2018, AND EACH FISCAL YEAR THEREAFTER,  
10 THE TOTAL AMOUNT OF GRANTS APPROVED UNDER THIS SECTION MAY  
11 NOT EXCEED \$20,000,000.

12 (2) IF THE TOTAL AMOUNT OF GRANTS APPROVED IN A FISCAL  
13 YEAR IS LESS THAN \$20,000,000, THE UNUSED PORTION MAY BE  
14 CARRIED OVER AND APPROVED IN FUTURE FISCAL YEARS.

15 (D) POWERS OF COMMISSION.--THE COMMISSION SHALL HAVE THE  
16 AUTHORITY TO ADMINISTER THE PROGRAM.

17 (E) GUIDELINES.--FUNDS UNDER THIS PART SHALL BE USED IN  
18 ACCORDANCE WITH GUIDELINES ADOPTED BY THE COMMISSION.

19 (F) ELIGIBLE PROJECTS.--MONEY DEPOSITED INTO THE FUND UNDER  
20 SECTION 1112(A) MAY BE UTILIZED BY THE COMMISSION FOR  
21 COMPETITIVE GRANTS TO ELIGIBLE APPLICANTS FOR ELIGIBLE PROJECTS  
22 AS PROVIDED IN THIS PART. IN ORDER TO BE ELIGIBLE TO RECEIVE A  
23 GRANT, AN ELIGIBLE APPLICANT MUST PROVIDE OR DEMONSTRATE TO THE  
24 COMMISSION ONE OR MORE OF THE FOLLOWING:

25 (1) A PLAN TO EXPAND ACCESS TO NATURAL GAS  
26 INFRASTRUCTURE.

27 (2) A PLAN TO EXPAND ACCESS TO NATURAL GAS IN  
28 RESIDENTIAL AREAS.

29 (3) A PLAN TO ACCELERATE THE RATE OF INFRASTRUCTURE  
30 PLACEMENT AND REPLACEMENT NECESSARY TO ADVANCE THE PURPOSES

1 OF THIS PART.

2 (4) A PLAN TO PROMOTE THE USE OF NATURAL GAS IN  
3 RESIDENTIAL AREAS.

4 (5) A PLAN TO PROVIDE REBATES OR BUY DOWN EXPENDITURES  
5 IN ORDER TO REDUCE UPFRONT COSTS ASSOCIATED WITH CONNECTING  
6 TO A NATURAL GAS LINE, IN-HOUSE PIPING AND NATURAL GAS  
7 EQUIPMENT OWNED BY NEW OR EXISTING CUSTOMERS, INCLUDING HIGH  
8 EFFICIENCY NATURAL GAS FURNACES.

9 (G) APPLICATION.--AN ELIGIBLE APPLICANT SHALL SUBMIT AN  
10 APPLICATION, INCLUDING SUPPORTING INFORMATION AS REQUIRED BY THE  
11 COMMISSION.

12 (H) PROJECT REVIEW.--THE COMMISSION SHALL REVIEW AND PREPARE  
13 AN ASSESSMENT OF EACH APPLICATION AND DETERMINE WHICH PROJECTS  
14 WILL BEST UTILIZE AND PROMOTE THE USE OF DOMESTICALLY PRODUCED  
15 NATURAL GAS IN THIS COMMONWEALTH. THE COMMISSION'S REVIEW AND  
16 ASSESSMENT SHALL CONSIDER THE FOLLOWING:

17 (1) THE ECONOMIC IMPACT OF THE PROJECT INCLUDED IN THE  
18 APPLICATION.

19 (2) THE NUMBER OF NEW END USERS THAT WILL GAIN ACCESS TO  
20 NATURAL GAS AS A RESULT OF THE PROJECT.

21 (3) THE EXTENT TO WHICH THE PROJECT EXTENDS ACCESS TO  
22 NATURAL GAS TO SERVE AN UNSERVED OR UNDERSERVED AREA.

23 (4) THE EXTENT TO WHICH THE PROJECT WILL MAKE THE USE OF  
24 NATURAL GAS MORE EFFICIENT AND AFFORDABLE TO CUSTOMERS.

25 (5) THE PROJECTED COST OF THE PROJECT.

26 (6) THE SOURCE AND AMOUNT OF ANY FUNDS TO BE CONTRIBUTED  
27 BY THE ELIGIBLE APPLICANT.

28 (7) ANY OTHER RELEVANT FACTORS AS DETERMINED BY THE  
29 COMMISSION.

30 (I) NOTICE OF APPLICATION DEADLINES.--THE COMMISSION SHALL

1 ESTABLISH AND PUBLISH APPLICATION DEADLINES IN THE PENNSYLVANIA  
2 BULLETIN AND ON ITS PUBLICLY ACCESSIBLE INTERNET WEBSITE.

3 (J) APPROVAL SCHEDULE.--THE COMMISSION SHALL DEVELOP A  
4 SCHEDULE FOR THE APPROVAL OF APPLICATIONS UNDER THIS SECTION.

5 (K) REAPPLICATION.--IF AN APPLICATION IS NOT APPROVED UNDER  
6 THIS SECTION, THE ELIGIBLE APPLICANT MAY REVISE AND RESUBMIT THE  
7 APPLICATION AND PLAN FOR APPROVAL.

8 (L) ADMINISTRATIVE COSTS.--NO MORE THAN TWO PERCENT OF THE  
9 MONEY DEPOSITED INTO THE FUND ANNUALLY MAY BE USED BY THE  
10 COMMISSION FOR ADMINISTRATIVE COSTS.

11 (M) PROGRAM REPORT.--THE COMMISSION SHALL PROVIDE A REPORT  
12 TO THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE CONSUMER  
13 PROTECTION AND PROFESSIONAL LICENSURE COMMITTEE OF THE SENATE  
14 AND THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE CONSUMER  
15 AFFAIRS COMMITTEE OF THE HOUSE OF REPRESENTATIVES BY OCTOBER 1,  
16 2018, AND EACH OCTOBER 1 THEREAFTER. THE REPORT SHALL BE  
17 MAINTAINED ON THE COMMISSION'S PUBLICLY ACCESSIBLE INTERNET  
18 WEBSITE AND SHALL INCLUDE:

19 (1) A LIST OF ALL GRANTS APPROVED DURING THE PREVIOUS  
20 FISCAL YEAR, INCLUDING THE AMOUNT OF THE GRANT AND A  
21 DESCRIPTION OF EACH APPROVED PROJECT.

22 (2) THE ESTIMATED NATURAL GAS OPTIMIZATION BENEFITS TO  
23 DATE FOR ALL PROJECTS RECEIVING FUNDING DURING THE FISCAL  
24 YEAR AND THE METHODS USED TO DETERMINE ESTIMATED BENEFITS.

25 SECTION 6. THE DEFINITION OF "VETERANS' ORGANIZATION" IN  
26 SECTION 1101-C OF THE ACT, ADDED JULY 13, 2016 (P.L.526, NO.84),  
27 IS AMENDED TO READ:

28 SECTION 1101-C. DEFINITIONS.--THE FOLLOWING WORDS WHEN USED  
29 IN THIS ARTICLE SHALL HAVE THE MEANINGS ASCRIBED TO THEM IN THIS  
30 SECTION:

1 \* \* \*

2 "VETERANS' SERVICE ORGANIZATION." A NOT-FOR-PROFIT  
3 ORGANIZATION THAT [IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE  
4 AS A TAX EXEMPT ORGANIZATION DESCRIBED UNDER SECTION 501(C)(19)  
5 OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26  
6 U.S.C. § 501(C)(19)). FOR THE PURPOSES OF THIS ARTICLE, THE TERM  
7 SHALL ONLY INCLUDE A NOT-FOR-PROFIT ORGANIZATION FOR THE PERIOD  
8 IN WHICH THE ORGANIZATION HAS A VALID TAX EXEMPTION UNDER  
9 SECTION 501(C)(19) OF THE INTERNAL REVENUE CODE OF 1986, AS  
10 DETERMINED BY THE INTERNAL REVENUE SERVICE.] HAS BEEN CHARTERED  
11 BY THE CONGRESS OF THE UNITED STATES TO SERVICE VETERANS OR IS A  
12 MEMBER OF THE PENNSYLVANIA STATE VETERANS' COMMISSION UNDER 51  
13 PA.C.S. CH. 17 (RELATING TO STATE VETERANS' COMMISSION AND  
14 DEPUTY ADJUTANT GENERAL FOR VETERANS' AFFAIRS).

15 \* \* \*

16 SECTION 7. SECTION 1102-C.2 OF THE ACT, AMENDED JULY 13,  
17 2016 (P.L.526, NO.84), IS AMENDED TO READ:

18 SECTION 1102-C.2. EXEMPT PARTIES.--THE UNITED STATES, THE  
19 COMMONWEALTH OR ANY OF THEIR INSTRUMENTALITIES, AGENCIES OR  
20 POLITICAL SUBDIVISIONS, OR VETERANS' SERVICE ORGANIZATIONS SHALL  
21 BE EXEMPT FROM PAYMENT OF THE TAX IMPOSED BY THIS ARTICLE. THE  
22 EXEMPTION UNDER THIS SECTION SHALL NOT, HOWEVER, RELIEVE ANY  
23 OTHER PARTY TO A TRANSACTION FROM LIABILITY FOR THE TAX.

24 SECTION 7.1. SECTION 1711-D OF THE ACT IS AMENDED BY ADDING  
25 DEFINITIONS TO READ:

26 SECTION 1711-D. DEFINITIONS.

27 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS SUBARTICLE  
28 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
29 CONTEXT CLEARLY INDICATES OTHERWISE:

30 "DETERIORATED PROPERTY." ANY BLIGHTED, IMPOVERISHED AREA

1 CONTAINING INDUSTRIAL, COMMERCIAL OR OTHER REAL PROPERTY THAT IS  
2 ABANDONED, UNSAFE, VACANT, UNDERVALUED, UNDERUTILIZED,  
3 OVERGROWN, DEFECTIVE, CONDEMNED, DEMOLISHED OR WHICH CONTAINS  
4 ECONOMICALLY UNDESIRABLE LAND USE.

5 \* \* \*

6 "FILM PRODUCTION TAX CREDIT DISTRICT." A DISTRICT AUTHORIZED  
7 UNDER SECTION 1716.2-D.

8 \* \* \*

9 SECTION 7.2. SECTION 1712-D OF THE ACT IS AMENDED BY ADDING  
10 A SUBSECTION TO READ:

11 SECTION 1712-D. CREDIT FOR QUALIFIED FILM PRODUCTION EXPENSES.

12 \* \* \*

13 (B.1) REVIEW AND APPROVAL OF APPLICATIONS FOR FILM  
14 PRODUCTION TAX CREDIT DISTRICT ACTIVITY.--FOR APPLICATIONS  
15 INVOLVING FILM PRODUCTION EXPENSES INCURRED WITHIN A DESIGNATED  
16 FILM PRODUCTION TAX CREDIT DISTRICT AUTHORIZED UNDER SECTION  
17 1716.2-D, THE DEPARTMENT SHALL ACCEPT APPLICATIONS AT ANY TIME.  
18 APPLICATIONS SHALL BE REVIEWED BY THE DEPARTMENT UTILIZING THE  
19 CRITERIA REQUIRED UNDER SUBSECTION (B). UPON DETERMINING THE  
20 TAXPAYER HAS INCURRED OR WILL INCUR QUALIFIED FILM PRODUCTION  
21 EXPENSES, THE DEPARTMENT SHALL APPROVE THE TAXPAYER FOR A TAX  
22 CREDIT UTILIZING THE TAX CREDITS AUTHORIZED UNDER 1716.2-D, NOT  
23 TO EXCEED THE AMOUNT AUTHORIZED FOR THE FISCAL YEAR.

24 \* \* \*

25 SECTION 7.3. THE ACT IS AMENDED BY ADDING A SECTION TO READ:  
26 SECTION 1716.2-D. FILM PRODUCTION TAX CREDIT DISTRICTS.

27 (A) ESTABLISHMENT.--THE DEPARTMENT MAY DESIGNATE NOT MORE  
28 THAN TWO FILM PRODUCTION TAX CREDIT DISTRICTS FOR THE PURPOSE OF  
29 ENHANCING, PROMOTING AND EXPANDING FILM PRODUCTION OPPORTUNITIES  
30 AND ESTABLISHING A FILM PRODUCTION INDUSTRY WITHIN THIS

1 COMMONWEALTH.

2 (B) CRITERIA.--A FILM PRODUCTION TAX CREDIT DISTRICT SHALL:

3 (1) BE AT LEAST 55 ACRES IN SIZE.

4 (2) BE LOCATED ON DETERIORATED PROPERTY.

5 (3) BE COMPRISED OF A PARCEL THAT IS OR WILL BE OCCUPIED

6 BY TWO OR MORE QUALIFIED BUSINESSES THAT:

7 (I) IN THE AGGREGATE, MAKE A CAPITAL INVESTMENT OF

8 AT LEAST \$400,000,000 WITHIN THE DISTRICT WITHIN FIVE

9 YEARS AFTER THE EFFECTIVE DATE OF THE DESIGNATION OF THE

10 DISTRICT; AND

11 (II) ARE DEDICATED TO FILM PRODUCTION ACTIVITY,

12 POSTPRODUCTION ACTIVITY OR OTHER ACTIVITIES THAT DIRECTLY

13 OR INDIRECTLY SUPPORT FILM PRODUCTION ACTIVITY OCCURRING

14 WITHIN THE DISTRICT OR WITHIN THIS COMMONWEALTH.

15 (4) CONTAIN AT LEAST ONE QUALIFIED PRODUCTION FACILITY

16 AND SIX SOUNDSTAGES.

17 (C) APPLICATION.--THE FOLLOWING APPLY:

18 (1) AN APPLICATION TO DESIGNATE A FILM PRODUCTION TAX

19 CREDIT DISTRICT MAY BE MADE BY THE COUNTY OR MUNICIPALITY IN

20 WHICH ALL OR PART OF THE DISTRICT WILL BE LOCATED. THE

21 DEPARTMENT SHALL REVIEW THE APPLICATION AND, IF APPROVED,

22 ISSUE A DESIGNATION FOR THE FILM PRODUCTION TAX CREDIT

23 DISTRICT. THE APPLICATION PERIOD SHALL BE SET BY THE

24 DEPARTMENT.

25 (2) THE APPLICATION SHALL CONTAIN THE FOLLOWING

26 INFORMATION:

27 (I) THE GEOGRAPHIC AREA OF THE PROPOSED FILM

28 PRODUCTION TAX CREDIT DISTRICT.

29 (II) A DETAILED MAP OF THE PROPOSED DISTRICT,

30 INCLUDING GEOGRAPHIC BOUNDARIES, TOTAL AREA AND PRESENT

1 USE AND CONDITIONS OF THE LAND AND STRUCTURES.

2 (III) A DESCRIPTION OF THE CURRENT SOCIAL, ECONOMIC  
3 AND DEMOGRAPHIC CHARACTERISTICS OF THE PROPOSED DISTRICT  
4 AND ANTICIPATED IMPROVEMENTS IN EDUCATION, HEALTH, HUMAN  
5 SERVICES, PUBLIC SAFETY AND EMPLOYMENT THAT WILL RESULT  
6 FROM DESIGNATION OF THE DISTRICT.

7 (IV) A DESCRIPTION OF ANTICIPATED FILM PRODUCTION  
8 ACTIVITY AND ANCILLARY ACTIVITIES IN THE PROPOSED  
9 DISTRICT.

10 (V) EVIDENCE OF POTENTIAL PRIVATE AND PUBLIC  
11 INVESTMENT IN THE PROPOSED DISTRICT.

12 (VI) THE ROLE OF THE PROPOSED DISTRICT IN REGIONAL  
13 ECONOMIC AND COMMUNITY DEVELOPMENT.

14 (D) DESIGNATION PERIOD.--A DISTRICT DESIGNATED UNDER  
15 SUBSECTION (C) SHALL EXPIRE 15 YEARS AFTER THE EFFECTIVE DATE OF  
16 THE DESIGNATION.

17 (E) CONSTRUCTION.--THE TAX CREDITS AUTHORIZED UNDER THIS  
18 SECTION ARE IN ADDITION TO THE TAX CREDITS UNDER SECTION 1716-  
19 D(A) AND ARE AVAILABLE EXCLUSIVELY FOR ACTIVITIES OCCURRING  
20 WITHIN THE DESIGNATED DISTRICT.

21 (F) ANNUAL TAX CREDITS.--THE DEPARTMENT MAY AUTHORIZE A TAX  
22 CREDIT FOR A FILM PRODUCTION TAX CREDIT DISTRICT IN FISCAL YEAR  
23 2019-2020 AND IN EACH FISCAL YEAR THEREAFTER.

24 SECTION 8. ARTICLE XVII-D OF THE ACT IS AMENDED BY ADDING A  
25 SUBARTICLE TO READ:

26 SUBARTICLE E

27 ENTERTAINMENT ECONOMIC ENHANCEMENT PROGRAM  
28 SECTION 1771-D. SCOPE OF SUBARTICLE.

29 THIS SUBARTICLE RELATES TO THE ENTERTAINMENT ECONOMIC  
30 ENHANCEMENT PROGRAM.

1 SECTION 1772-D. DEFINITIONS.

2 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS SUBARTICLE  
3 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
4 CONTEXT CLEARLY INDICATES OTHERWISE:

5 "CLASS 1 VENUE." A STADIUM, ARENA, OTHER STRUCTURE OR  
6 PROPERTY OWNED BY A MUNICIPALITY OR AN AUTHORITY FORMED UNDER  
7 ARTICLE XXV-A OF THE ACT OF JULY 28, 1953 (P.L.723, NO.230),  
8 KNOWN AS THE SECOND CLASS COUNTY CODE, AT WHICH CONCERTS ARE  
9 PERFORMED AND WHICH IS ALL OF THE FOLLOWING:

10 (1) LOCATED IN A CITY OF THE FIRST CLASS OR A COUNTY OF  
11 THE SECOND CLASS.

12 (2) CONSTRUCTED IN A MANNER IN WHICH THE VENUE HAS A  
13 SEATING CAPACITY OF AT LEAST 14,000.

14 "CLASS 2 VENUE." A STADIUM, ARENA OR OTHER STRUCTURE AT  
15 WHICH CONCERTS ARE PERFORMED AND WHICH IS ALL OF THE FOLLOWING:

16 (1) LOCATED OUTSIDE THE GEOGRAPHIC BOUNDARIES OF A CITY  
17 OF THE FIRST CLASS OR A COUNTY OF THE SECOND CLASS.

18 (2) CONSTRUCTED IN A MANNER IN WHICH THE VENUE HAS A  
19 SEATING CAPACITY OF AT LEAST 6,000.

20 "CLASS 3 VENUE." A STADIUM, ARENA OR OTHER STRUCTURE WHICH  
21 IS ANY OF THE FOLLOWING:

22 (1) LOCATED WITHIN A NEIGHBORHOOD IMPROVEMENT ZONE, AS  
23 DEFINED IN SECTION 1902-B.

24 (2) OWNED BY OR AFFILIATED WITH A STATE-RELATED  
25 INSTITUTION AS DEFINED IN 62 PA.C.S. § 103 (RELATING TO  
26 DEFINITIONS).

27 (3) OWNED BY THE COMMONWEALTH AND AFFILIATED WITH THE  
28 STATE SYSTEM OF HIGHER EDUCATION.

29 "CONCERT." A LIVE PERFORMANCE OF MUSIC IN THE PRESENCE OF  
30 INDIVIDUALS WHO VIEW THE PERFORMANCE.

1 "CONCERT TOUR EQUIPMENT." INCLUDES STAGE, SET, SCENERY,  
2 DESIGN ELEMENTS, AUTOMATION, RIGGING, TRUSSES, SPOTLIGHTS,  
3 LIGHTING, SOUND EQUIPMENT, VIDEO EQUIPMENT, SPECIAL EFFECTS,  
4 CASES, COMMUNICATION DEVICES, POWER DISTRIBUTION EQUIPMENT,  
5 BACKLINE AND OTHER MISCELLANEOUS EQUIPMENT OR SUPPLIES USED  
6 DURING A CONCERT OR REHEARSAL.

7 "DEPARTMENT." THE DEPARTMENT OF COMMUNITY AND ECONOMIC  
8 DEVELOPMENT OF THE COMMONWEALTH.

9 "MAINTAINED A PLACE OF BUSINESS" OR "MAINTAINING A PLACE OF  
10 BUSINESS." ALL OF THE FOLLOWING:

11 (1) HAVING, MAINTAINING OR USING WITHIN THIS  
12 COMMONWEALTH AN OFFICE, WAREHOUSE OR OTHER PLACE OF BUSINESS.

13 (2) REGULARLY ENGAGING IN AN ACTIVITY AS A BUSINESS  
14 WITHIN THIS COMMONWEALTH IN CONNECTION WITH THE LEASE, SALE  
15 OR DELIVERY OF TANGIBLE PERSONAL PROPERTY OR THE PERFORMANCE  
16 OF A SERVICE FOR RESIDENTS OF THIS COMMONWEALTH.

17 "MINIMUM REHEARSAL AND TOUR REQUIREMENTS." DURING A TOUR,  
18 ALL OF THE FOLLOWING MUST OCCUR:

19 (1) THE PURCHASE OR RENTAL OF CONCERT TOUR EQUIPMENT  
20 DELIVERED TO A LOCATION IN THIS COMMONWEALTH, IN AN AMOUNT OF  
21 AT LEAST \$3,000,000, FROM COMPANIES LOCATED AND MAINTAINING A  
22 PLACE OF BUSINESS IN THIS COMMONWEALTH FOR USE ON THE TOUR.

23 (2) A REHEARSAL AT A QUALIFIED REHEARSAL FACILITY FOR A  
24 MINIMUM OF 10 DAYS.

25 (3) AT LEAST ONE CONCERT PERFORMED AT A CLASS 1 VENUE.

26 (4) AT LEAST ONE CONCERT PERFORMED AT A VENUE WHICH IS  
27 LOCATED IN A MUNICIPALITY OTHER THAN THE MUNICIPALITY IN  
28 WHICH THE CLASS 1 VENUE UNDER PARAGRAPH (3) IS LOCATED.

29 "PASS-THROUGH ENTITY." ANY OF THE FOLLOWING:

30 (1) A PARTNERSHIP AS DEFINED IN SECTION 301(N.0).

1           (2) A PENNSYLVANIA S CORPORATION AS DEFINED IN SECTION  
2           301(N.1).

3           (3) AN UNINCORPORATED ENTITY SUBJECT TO SECTION 307.21.  
4           "PENNSYLVANIA REHEARSAL AND TOUR EXPENSES." THE SUM OF  
5           PENNSYLVANIA REHEARSAL EXPENSES AND TOUR EXPENSES. THE TERM  
6           INCLUDES PENNSYLVANIA REHEARSAL EXPENSES AND TOUR EXPENSES PAID  
7           PRIOR TO OR DURING A REHEARSAL OR TOUR.

8           "PENNSYLVANIA REHEARSAL EXPENSE." A REHEARSAL EXPENSE WHICH  
9           IS INCURRED OR WILL BE INCURRED WITHIN THIS COMMONWEALTH. THE  
10          TERM INCLUDES:

11           (1) A PAYMENT WHICH IS MADE OR WILL BE MADE BY A  
12           RECIPIENT TO A PERSON UPON WHICH WITHHOLDING WILL BE MADE ON  
13           THE PAYMENT BY THE RECIPIENT AS REQUIRED UNDER PART VII OF  
14           ARTICLE III OR A PAYMENT WHICH IS MADE OR WILL BE MADE TO A  
15           PERSON WHO IS REQUIRED TO MAKE ESTIMATED PAYMENTS UNDER PART  
16           VIII OF ARTICLE III.

17           (2) A PAYMENT WHICH IS MADE OR WILL BE MADE TO A  
18           PERSONAL SERVICE CORPORATION REPRESENTING INDIVIDUAL TALENT  
19           IF THE TAX IMPOSED BY ARTICLE IV WILL BE PAID OR ACCRUED ON  
20           THE NET INCOME OF THE CORPORATION FOR THE TAXABLE YEAR.

21           (3) A PAYMENT WHICH IS MADE OR WILL BE MADE TO A PASS-  
22           THROUGH ENTITY REPRESENTING INDIVIDUAL TALENT FOR WHICH  
23           WITHHOLDING WILL BE MADE BY THE PASS-THROUGH ENTITY ON THE  
24           PAYMENT AS REQUIRED UNDER PART VII OR VII-A OF ARTICLE III.

25           "QUALIFIED REHEARSAL AND TOUR EXPENSE." ALL PENNSYLVANIA  
26           REHEARSAL AND TOUR EXPENSES IF PENNSYLVANIA REHEARSAL EXPENSES  
27           COMPRISE OR WILL COMPRISE AT LEAST 60% OF THE TOTAL REHEARSAL  
28           EXPENSES. THE TERM SHALL NOT INCLUDE MORE THAN \$2,000,000 IN THE  
29           AGGREGATE OF COMPENSATION PAID OR TO BE PAID TO INDIVIDUALS OR  
30           PAYMENT MADE OR TO BE MADE TO ENTITIES REPRESENTING AN

1 INDIVIDUAL FOR SERVICES PROVIDED IN THE TOUR.

2 "QUALIFIED REHEARSAL FACILITY." A REHEARSAL FACILITY WHICH  
3 MEETS AT LEAST SIX OF THE FOLLOWING CRITERIA:

4 (1) HAS HAD A MINIMUM OF \$8,000,000 INVESTED IN THE  
5 REHEARSAL FACILITY IN LAND OR STRUCTURE, OR A COMBINATION OF  
6 LAND AND STRUCTURE.

7 (2) HAS A PERMANENT GRID SYSTEM WITH A CAPACITY OF  
8 1,000,000 POUNDS.

9 (3) HAS A BUILT-IN POWER SUPPLY SYSTEM AVAILABLE AT A  
10 MINIMUM OF 3,200 AMPS WITHOUT THE NEED FOR SUPPLEMENTAL  
11 GENERATORS.

12 (4) HAS A HEIGHT FROM FLOOR TO PERMANENT GRID OF A  
13 MINIMUM OF 80 FEET.

14 (5) HAS AT LEAST TWO SLIDING OR ROLL-UP ACCESS DOORS  
15 WITH A MINIMUM HEIGHT OF 14 FEET.

16 (6) HAS A PERIMETER SECURITY SYSTEM WHICH INCLUDES 24-  
17 HOURLY, SEVEN-DAYS-A-WEEK SECURITY CAMERAS AND THE USE OF  
18 ACCESS CONTROL IDENTIFICATION BADGES.

19 (7) HAS A SERVICE AREA WITH PRODUCTION OFFICES, CATERING  
20 AND DRESSING ROOMS WITH A MINIMUM OF 5,000 SQUARE FEET.

21 (8) IS LOCATED WITHIN ONE MILE OF A MINIMUM OF TWO  
22 COMPANIES WHICH PROVIDE CONCERT TOUR EQUIPMENT FOR USE ON A  
23 TOUR.

24 "QUALIFIED TAX LIABILITY." THE LIABILITY FOR TAXES IMPOSED  
25 UNDER ARTICLE III, IV, VI, VII OR IX. THE TERM DOES NOT INCLUDE  
26 TAX WITHHELD BY AN EMPLOYER FROM AN EMPLOYEE UNDER ARTICLE III.

27 "RECIPIENT." A TAXPAYER THAT HAS BEEN AWARDED A TAX CREDIT  
28 UNDER SECTION 1773-D(E).

29 "REHEARSAL." AN EVENT OR SERIES OF EVENTS WHICH OCCUR IN  
30 PREPARATION FOR A TOUR PRIOR TO THE START OF THE TOUR OR DURING

1 A TOUR WHEN ADDITIONAL PREPARATION MAY BE NEEDED.

2 "REHEARSAL EXPENSE." ALL OF THE FOLLOWING WHEN INCURRED OR  
3 WILL BE INCURRED DURING A REHEARSAL:

4 (1) COMPENSATION PAID OR TO BE PAID TO AN INDIVIDUAL  
5 EMPLOYED IN THE REHEARSAL OF THE PERFORMANCE.

6 (2) PAYMENT TO A PERSONAL SERVICE CORPORATION  
7 REPRESENTING INDIVIDUAL TALENT.

8 (3) PAYMENT TO A PASS-THROUGH ENTITY REPRESENTING  
9 INDIVIDUAL TALENT.

10 (4) THE COSTS OF CONSTRUCTION, OPERATIONS, EDITING,  
11 PHOTOGRAPHY, STAGING, LIGHTING, WARDROBE AND ACCESSORIES.

12 (5) THE COST OF LEASING VEHICLES.

13 (6) THE COST OF TRANSPORTATION OF PEOPLE OR CONCERT TOUR  
14 EQUIPMENT TO OR FROM A TRAIN STATION, BUS DEPOT, AIRPORT OR  
15 OTHER TRANSPORTATION FACILITY OR DIRECTLY FROM A RESIDENCE OR  
16 BUSINESS ENTITY.

17 (7) THE COST OF INSURANCE COVERAGE.

18 (8) THE COST OF FOOD AND LODGING.

19 (9) THE COST OF PURCHASE OR RENTAL OF CONCERT TOUR  
20 EQUIPMENT.

21 (10) THE COST OF RENTING A REHEARSAL FACILITY.

22 (11) THE COST OF EMERGENCY OR MEDICAL SUPPORT SERVICES  
23 REQUIRED TO CONDUCT A REHEARSAL.

24 "REHEARSAL FACILITY." AS FOLLOWS:

25 (1) A FACILITY PRIMARILY USED FOR REHEARSALS WHICH IS  
26 ALL OF THE FOLLOWING:

27 (I) LOCATED WITHIN THIS COMMONWEALTH.

28 (II) HAS A MINIMUM OF 25,000 SQUARE FEET OF COLUMN-  
29 FREE, UNOBSTRUCTED FLOOR SPACE.

30 (2) THE TERM DOES NOT INCLUDE A FACILITY AT WHICH

1 CONCERTS ARE CAPABLE OF BEING HELD.

2 "START DATE." THE DATE THE FIRST SET OF CONCERT TOUR  
3 EQUIPMENT ARRIVES OR IS EXPECTED TO ARRIVE AT A QUALIFIED  
4 REHEARSAL FACILITY.

5 "TAX CREDIT." THE CONCERT REHEARSAL AND TOUR TAX CREDIT AS  
6 PROVIDED UNDER THIS SUBARTICLE.

7 "TAXPAYER." A CONCERT TOUR PROMOTION COMPANY, CONCERT TOUR  
8 MANAGEMENT COMPANY OR OTHER CONCERT MANAGEMENT COMPANY SUBJECT  
9 TO TAX UNDER ARTICLE III, IV OR VI. THE TERM DOES NOT INCLUDE  
10 CONTRACTORS OR SUBCONTRACTORS OF A CONCERT TOUR PROMOTION  
11 COMPANY, CONCERT TOUR MANAGEMENT COMPANY OR OTHER CONCERT  
12 MANAGEMENT COMPANY.

13 "TOUR." A SERIES OF CONCERTS PERFORMED OR TO BE PERFORMED BY  
14 A MUSICAL PERFORMER IN MORE THAN ONE LOCATION. THE TERM INCLUDES  
15 AT LEAST ONE REHEARSAL.

16 "TOUR EXPENSE." AS FOLLOWS:

17 (1) COSTS INCURRED OR WHICH WILL BE INCURRED DURING A  
18 TOUR FOR VENUES LOCATED IN THIS COMMONWEALTH. THE TERM  
19 INCLUDES ALL OF THE FOLLOWING:

20 (I) A PAYMENT WHICH IS MADE OR WILL BE MADE BY A  
21 RECIPIENT TO A PERSON UPON WHICH WITHHOLDING WILL BE MADE  
22 ON THE PAYMENT BY THE RECIPIENT AS REQUIRED UNDER PART  
23 VII OF ARTICLE III OR A PAYMENT WHICH IS MADE OR WILL BE  
24 MADE TO A PERSON WHO IS REQUIRED TO MAKE ESTIMATED  
25 PAYMENTS UNDER PART VIII OF ARTICLE III.

26 (II) THE COST OF TRANSPORTATION OF PEOPLE OR CONCERT  
27 TOURING EQUIPMENT WHICH IS INCURRED OR WILL BE INCURRED  
28 WHILE TRANSPORTING TO OR FROM A TRAIN STATION, BUS DEPOT,  
29 AIRPORT OR OTHER TRANSPORTATION FACILITY OR WHILE  
30 TRANSPORTING DIRECTLY FROM A RESIDENCE OR BUSINESS ENTITY

1 LOCATED IN THIS COMMONWEALTH, OR WHICH IS INCURRED OR  
2 WILL BE INCURRED FOR TRANSPORTATION PROVIDED BY A COMPANY  
3 WHICH IS SUBJECT TO THE TAX IMPOSED UNDER ARTICLE III OR  
4 IV.

5 (III) THE COST OF LEASING VEHICLES UPON WHICH THE  
6 TAX IMPOSED BY ARTICLE II WILL BE PAID OR ACCRUED.

7 (IV) THE COST OF INSURANCE COVERAGE WHICH IS  
8 PURCHASED OR WILL BE PURCHASED THROUGH AN INSURANCE AGENT  
9 BASED IN THIS COMMONWEALTH.

10 (V) THE COST OF PURCHASING OR RENTING FACILITIES AND  
11 EQUIPMENT FROM OR THROUGH A RESIDENT OF THIS COMMONWEALTH  
12 OR AN ENTITY SUBJECT TO TAXATION IN THIS COMMONWEALTH.

13 (VI) THE COST OF FOOD AND LODGING WHICH IS INCURRED  
14 OR WILL BE INCURRED FROM A FACILITY LOCATED IN THIS  
15 COMMONWEALTH.

16 (VII) EXPENSES WHICH ARE INCURRED OR WILL BE  
17 INCURRED IN MARKETING OR ADVERTISING A TOUR AT VENUES  
18 LOCATED WITHIN THIS COMMONWEALTH.

19 (VIII) THE COST OF MERCHANDISE WHICH IS PURCHASED OR  
20 WILL BE PURCHASED FROM A COMPANY LOCATED WITHIN THIS  
21 COMMONWEALTH AND USED ON THE TOUR.

22 (IX) A PAYMENT WHICH IS MADE OR WILL BE MADE TO A  
23 PERSONAL SERVICE CORPORATION REPRESENTING INDIVIDUAL  
24 TALENT IF THE TAX IMPOSED BY ARTICLE IV WILL BE PAID OR  
25 ACCRUED ON THE NET INCOME OF THE CORPORATION FOR THE  
26 TAXABLE YEAR.

27 (X) A PAYMENT WHICH IS MADE OR WILL BE MADE TO A  
28 PASS-THROUGH ENTITY REPRESENTING INDIVIDUAL TALENT FOR  
29 WHICH WITHHOLDING WILL BE MADE BY THE PASS-THROUGH ENTITY  
30 ON THE PAYMENT AS REQUIRED UNDER PART VII OR VII-A OF

1           ARTICLE III.

2           (2) THE TERM DOES NOT INCLUDE DEVELOPMENT COST,  
3           INCLUDING THE WRITING OF MUSIC OR LYRICS.

4           "VENUE." A CLASS 1, CLASS 2 OR CLASS 3 VENUE.

5           SECTION 1773-D. PROCEDURE.

6           (A) APPLICATION.--A TAXPAYER MAY APPLY TO THE DEPARTMENT FOR  
7           A TAX CREDIT UNDER THIS SECTION. THE APPLICATION SHALL BE ON THE  
8           FORM REQUIRED BY THE DEPARTMENT.

9           (B) REVIEW AND APPROVAL.--

10           (1) THE DEPARTMENT SHALL ESTABLISH APPLICATION PERIODS  
11           NOT TO EXCEED 30 DAYS. ALL APPLICATIONS RECEIVED DURING AN  
12           APPLICATION PERIOD SHALL BE REVIEWED AND EVALUATED BY THE  
13           DEPARTMENT BASED ON THE FOLLOWING CRITERIA:

14           (I) THE ANTICIPATED NUMBER OF REHEARSAL DAYS IN A  
15           QUALIFIED REHEARSAL FACILITY.

16           (II) THE ANTICIPATED NUMBER OF CONCERTS AT CLASS 1  
17           VENUES.

18           (III) THE ANTICIPATED NUMBER OF CONCERTS AT CLASS 2  
19           VENUES.

20           (IV) THE ANTICIPATED NUMBER OF CONCERTS AT CLASS 3  
21           VENUES.

22           (V) THE ANTICIPATED AMOUNT OF PENNSYLVANIA REHEARSAL  
23           EXPENSES IN COMPARISON TO THE ANTICIPATED AGGREGATE  
24           AMOUNT OF REHEARSAL EXPENSES.

25           (VI) THE ANTICIPATED AMOUNT OF THE TOUR EXPENSES.

26           (VII) THE ANTICIPATED AMOUNT OF THE CONCERT TOUR  
27           EQUIPMENT EXPENSES WHICH ARE OR WILL BE PURCHASED OR  
28           RENTED FROM A COMPANY LOCATED AND MAINTAINING A PLACE OF  
29           BUSINESS IN THIS COMMONWEALTH AND WHICH WILL BE USED ON  
30           THE TOUR.

1           (VIII) THE ANTICIPATED NUMBER OF DAYS SPENT IN  
2           COMMONWEALTH HOTELS.

3           (IX) OTHER CRITERIA THAT THE DEPARTMENT DEEMS  
4           APPROPRIATE TO ENSURE MAXIMUM EMPLOYMENT OPPORTUNITIES  
5           AND ENTERTAINMENT BENEFITS FOR THE RESIDENTS OF THIS  
6           COMMONWEALTH.

7           (2) EXCEPT AS PROVIDED IN SUBSECTION (C) AND UPON  
8           DETERMINING THAT THE TAXPAYER HAS PAID THE APPLICABLE  
9           APPLICATION FEE NOT TO EXCEED \$300, HAS MET OR WILL MEET THE  
10          MINIMUM REHEARSAL AND TOUR REQUIREMENTS AND HAS INCURRED OR  
11          WILL INCUR QUALIFIED REHEARSAL AND TOUR EXPENSES, THE  
12          DEPARTMENT MAY APPROVE THE TAXPAYER FOR A TAX CREDIT.  
13          APPLICATIONS NOT APPROVED MAY BE REVIEWED AND CONSIDERED IN  
14          SUBSEQUENT APPLICATION PERIODS. THE DEPARTMENT MAY APPROVE A  
15          TAXPAYER FOR A TAX CREDIT BASED ON ITS EVALUATION OF THE  
16          CRITERIA UNDER THIS SUBSECTION.

17          (C) RESTRICTION.--THE DEPARTMENT MAY ONLY CONSIDER  
18          REHEARSALS HELD OR TO BE HELD, AND QUALIFIED REHEARSAL AND TOUR  
19          EXPENSES INCURRED OR TO BE INCURRED, AFTER JANUARY 1, 2017, IN  
20          DETERMINING WHETHER A TAXPAYER HAS MET OR WILL MEET THE MINIMUM  
21          REHEARSAL AND TOUR REQUIREMENTS.

22          (D) CONTRACT.--IF THE DEPARTMENT APPROVES THE TAXPAYER'S  
23          APPLICATION UNDER SUBSECTION (B), THE DEPARTMENT AND THE  
24          TAXPAYER SHALL ENTER INTO A CONTRACT CONTAINING THE FOLLOWING:

25                  (1) AN ITEMIZED LIST OF REHEARSAL EXPENSES INCURRED OR  
26                  TO BE INCURRED FOR THE TOUR.

27                  (2) AN ITEMIZED LIST OF PENNSYLVANIA REHEARSAL EXPENSES  
28                  INCURRED OR TO BE INCURRED FOR THE TOUR.

29                  (3) WITH RESPECT TO A CONTRACT ENTERED INTO PRIOR TO  
30                  COMPLETION OF A TOUR, A COMMITMENT BY THE TAXPAYER TO INCUR

1 THE PENNSYLVANIA REHEARSAL EXPENSES AS ITEMIZED.

2 (4) AN ITEMIZED LIST OF THE QUALIFIED REHEARSAL AND TOUR  
3 EXPENSES INCURRED OR TO BE INCURRED FOR THE TOUR.

4 (5) WITH RESPECT TO A CONTRACT ENTERED INTO PRIOR TO  
5 COMPLETION OF A TOUR, A COMMITMENT BY THE TAXPAYER TO INCUR  
6 THE QUALIFIED REHEARSAL AND TOUR EXPENSES AS ITEMIZED.

7 (6) WITH RESPECT TO A CONTRACT ENTERED INTO PRIOR TO  
8 COMPLETION OF A TOUR, A COMMITMENT BY THE TAXPAYER TO HOLD AT  
9 LEAST ONE CONCERT AT A CLASS 1 VENUE.

10 (7) WITH RESPECT TO A CONTRACT ENTERED INTO PRIOR TO  
11 COMPLETION OF A TOUR, A COMMITMENT BY THE TAXPAYER TO HOLD AT  
12 LEAST ONE CONCERT AT A VENUE LOCATED IN A MUNICIPALITY OTHER  
13 THAN THE MUNICIPALITY IN WHICH THE CLASS 1 VENUE UNDER  
14 PARAGRAPH (6) IS LOCATED.

15 (8) THE START DATE OR THE EXPECTED START DATE.

16 (9) ANY OTHER INFORMATION THE DEPARTMENT DEEMS  
17 APPROPRIATE.

18 (E) CERTIFICATE.--UPON EXECUTION OF THE CONTRACT REQUIRED BY  
19 SUBSECTION (D), THE DEPARTMENT SHALL AWARD THE TAXPAYER A  
20 CONCERT REHEARSAL AND TOUR TAX CREDIT AND ISSUE THE RECIPIENT A  
21 TAX CREDIT CERTIFICATE.

22 SECTION 1774-D. CLAIM.

23 BEGINNING JULY 1, 2017, A RECIPIENT MAY CLAIM A CONCERT  
24 REHEARSAL AND TOUR TAX CREDIT AGAINST THE QUALIFIED TAX  
25 LIABILITY OF THE RECIPIENT.

26 SECTION 1775-D. CARRYOVER, CARRYBACK AND ASSIGNMENT OF TAX  
27 CREDIT.

28 (A) GENERAL RULE.--IF A RECIPIENT CANNOT USE THE ENTIRE  
29 AMOUNT OF A TAX CREDIT FOR THE TAXABLE YEAR IN WHICH THE TAX  
30 CREDIT IS FIRST APPROVED, THE EXCESS MAY BE CARRIED OVER TO

1 SUCCEEDING TAXABLE YEARS AND USED AS A TAX CREDIT AGAINST THE  
2 QUALIFIED TAX LIABILITY OF THE RECIPIENT FOR THOSE TAXABLE  
3 YEARS. EACH TIME THE TAX CREDIT IS CARRIED OVER TO A SUCCEEDING  
4 TAXABLE YEAR, THE TAX CREDIT SHALL BE REDUCED BY THE AMOUNT THAT  
5 WAS USED AS A CREDIT DURING THE IMMEDIATELY PRECEDING TAXABLE  
6 YEAR. THE TAX CREDIT MAY BE CARRIED OVER AND APPLIED TO  
7 SUCCEEDING TAXABLE YEARS FOR NO MORE THAN THREE TAXABLE YEARS  
8 FOLLOWING THE FIRST TAXABLE YEAR FOR WHICH THE RECIPIENT WAS  
9 ENTITLED TO CLAIM THE TAX CREDIT.

10 (B) APPLICATION.--A TAX CREDIT APPROVED BY THE DEPARTMENT IN  
11 A TAXABLE YEAR FIRST SHALL BE APPLIED AGAINST THE RECIPIENT'S  
12 QUALIFIED TAX LIABILITY FOR THE CURRENT TAXABLE YEAR AS OF THE  
13 DATE ON WHICH THE TAX CREDIT WAS APPROVED BEFORE THE TAX CREDIT  
14 CAN BE APPLIED AGAINST TAX LIABILITY UNDER SUBSECTION (A).

15 (C) NO CARRYBACK OR REFUND.--A RECIPIENT SHALL NOT BE  
16 ENTITLED TO CARRY BACK OR OBTAIN A REFUND OF ANY PORTION OF AN  
17 UNUSED TAX CREDIT GRANTED TO THE RECIPIENT UNDER THIS  
18 SUBARTICLE.

19 (D) SALE OR ASSIGNMENT.--THE FOLLOWING SHALL APPLY:

20 (1) A RECIPIENT, UPON APPLICATION TO AND APPROVAL BY THE  
21 DEPARTMENT, MAY SELL OR ASSIGN, IN WHOLE OR IN PART, A TAX  
22 CREDIT GRANTED TO THE RECIPIENT UNDER THIS SUBARTICLE.

23 (2) THE DEPARTMENT AND THE DEPARTMENT OF REVENUE SHALL  
24 JOINTLY PROMULGATE REGULATIONS FOR THE APPROVAL OF  
25 APPLICATIONS UNDER THIS SUBSECTION.

26 (3) BEFORE AN APPLICATION IS APPROVED, THE DEPARTMENT OF  
27 REVENUE MUST MAKE A FINDING THAT THE RECIPIENT HAS FILED ALL  
28 REQUIRED STATE TAX REPORTS AND RETURNS FOR ALL APPLICABLE  
29 TAXABLE YEARS AND PAID ANY BALANCE OF STATE TAX DUE AS  
30 DETERMINED AT SETTLEMENT, ASSESSMENT OR DETERMINATION BY THE

1 DEPARTMENT OF REVENUE.

2 (4) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE  
3 DEPARTMENT OF REVENUE SHALL SETTLE, ASSESS OR DETERMINE THE  
4 TAX OF A TAXPAYER UNDER THIS SUBSECTION WITHIN 60 DAYS OF THE  
5 FILING OF ALL REQUIRED FINAL RETURNS OR REPORTS IN ACCORDANCE  
6 WITH SECTION 806.1(A) (5) OF THE ACT OF APRIL 9, 1929  
7 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE.

8 (E) PURCHASERS AND ASSIGNEES.--THE FOLLOWING APPLY:

9 (1) THE PURCHASER OR ASSIGNEE OF ALL OR A PORTION OF A  
10 TAX CREDIT UNDER SUBSECTION (D) SHALL IMMEDIATELY CLAIM THE  
11 TAX CREDIT IN THE TAXABLE YEAR IN WHICH THE PURCHASE OR  
12 ASSIGNMENT IS MADE.

13 (2) THE AMOUNT OF THE TAX CREDIT THAT A PURCHASER OR  
14 ASSIGNEE MAY USE AGAINST ONE QUALIFIED TAX LIABILITY MAY NOT  
15 EXCEED 50% OF THE QUALIFIED TAX LIABILITY FOR THE TAXABLE  
16 YEAR.

17 (3) THE PURCHASER OR ASSIGNEE MAY NOT CARRY FORWARD,  
18 CARRY BACK OR OBTAIN A REFUND OF OR SELL OR ASSIGN THE TAX  
19 CREDIT.

20 (4) THE PURCHASER OR ASSIGNEE SHALL NOTIFY THE  
21 DEPARTMENT OF REVENUE OF THE SELLER OR ASSIGNOR OF THE TAX  
22 CREDIT IN COMPLIANCE WITH PROCEDURES SPECIFIED BY THE  
23 DEPARTMENT OF REVENUE.

24 SECTION 1776-D. DETERMINATION OF PENNSYLVANIA REHEARSAL AND  
25 TOUR EXPENSES.

26 WHEN PRESCRIBING STANDARDS FOR DETERMINING WHICH REHEARSAL OR  
27 TOUR EXPENSES ARE CONSIDERED PENNSYLVANIA REHEARSAL AND TOUR  
28 EXPENSES FOR PURPOSES OF COMPUTING THE TAX CREDIT PROVIDED BY  
29 THIS SUBARTICLE, THE DEPARTMENT SHALL CONSIDER:

30 (1) THE LOCATION WHERE SERVICES ARE PERFORMED.

1           (2) THE LOCATION WHERE CONCERT TOUR EQUIPMENT IS  
2           PURCHASED, RENTED, DELIVERED AND USED.

3           (3) THE LOCATION WHERE REHEARSALS OR CONCERTS ARE HELD.

4           (4) OTHER FACTORS THE DEPARTMENT DETERMINES ARE  
5           RELEVANT.

6 SECTION 1777-D. LIMITATIONS.

7           (A) CAP.--EXCEPT AS PROVIDED IN THIS SUBSECTION, THE  
8           DEPARTMENT MAY NOT AWARD TAX CREDITS FOR QUALIFIED REHEARSAL AND  
9           TOUR EXPENSES INCURRED OR TO BE INCURRED RELATED TO MORE THAN  
10           FIVE TOURS IN A FISCAL YEAR. IN A FISCAL YEAR, THE DEPARTMENT  
11           MAY, IN THE DEPARTMENT'S DISCRETION, ADVANCE THE AWARD OF TAX  
12           CREDITS FOR QUALIFIED REHEARSAL AND TOUR EXPENSES INCURRED OR TO  
13           BE INCURRED RELATED TO A MAXIMUM OF TWO ADDITIONAL TOURS.

14           (B) ADVANCE AWARD OF CREDITS.--THE ADVANCE AWARD OF TAX  
15           CREDITS UNDER SUBSECTION (A) SHALL:

16           (1) COUNT AGAINST THE TOTAL NUMBER OF TOURS THAT THE  
17           DEPARTMENT MAY AWARD TAX CREDITS FOR QUALIFIED REHEARSAL AND  
18           TOUR EXPENSES INCURRED OR TO BE INCURRED RELATED TO A TOUR IN  
19           THAT NEXT SUCCEEDING FISCAL YEAR; AND

20           (2) REDUCE THE NUMBER OF TOURS THAT THE DEPARTMENT MAY  
21           AWARD TAX CREDITS FOR QUALIFIED REHEARSAL AND TOUR EXPENSES  
22           INCURRED OR TO BE INCURRED RELATED TO A TOUR IN THAT NEXT  
23           SUCCEEDING FISCAL YEAR.

24           (C) INDIVIDUAL LIMITATIONS.--THE FOLLOWING SHALL APPLY:

25           (1) A TAXPAYER MAY NOT BE AWARDED MORE THAN \$800,000 OF  
26           TAX CREDITS FOR A TOUR.

27           (2) EXCEPT AS PROVIDED UNDER PARAGRAPH (5), THE  
28           AGGREGATE AMOUNT OF TAX CREDITS AWARDED BY THE DEPARTMENT  
29           UNDER SECTION 1773-D(E) TO A TAXPAYER FOR A TOUR WITH  
30           CONCERTS AT TWO CLASS 1 VENUES OR A CLASS 1 VENUE AND A CLASS

1 2 VENUE MAY NOT EXCEED 25% OF THE QUALIFIED REHEARSAL AND  
2 TOUR EXPENSES INCURRED OR TO BE INCURRED.

3 (3) EXCEPT AS PROVIDED UNDER PARAGRAPH (5), THE  
4 AGGREGATE AMOUNT OF TAX CREDITS AWARDED BY THE DEPARTMENT  
5 UNDER SECTION 1773-D(E) TO A TAXPAYER FOR A TOUR WITH  
6 CONCERTS AT A CLASS 1 VENUE AND A CLASS 3 VENUE MAY NOT  
7 EXCEED 30% OF THE QUALIFIED REHEARSAL AND TOUR EXPENSES  
8 INCURRED OR TO BE INCURRED.

9 (4) EXCEPT AS PROVIDED UNDER PARAGRAPH (5), THE  
10 AGGREGATE AMOUNT OF TAX CREDITS AWARDED BY THE DEPARTMENT  
11 UNDER SECTION 1773-D(E) TO A TAXPAYER FOR A TOUR WITH  
12 CONCERTS AT A CLASS 1 VENUE AND A CLASS 3 VENUE WHICH DOES  
13 NOT SERVE ALCOHOL MAY NOT EXCEED 35% OF THE QUALIFIED  
14 REHEARSAL AND TOUR EXPENSES INCURRED OR TO BE INCURRED.

15 (5) IN ADDITION TO THE TAX CREDITS UNDER PARAGRAPH (2),  
16 (3) OR (4), A TAXPAYER IS ELIGIBLE FOR A TAX CREDIT IN THE  
17 AMOUNT OF 5% OF THE QUALIFIED REHEARSAL AND TOUR EXPENSES  
18 INCURRED OR TO BE INCURRED BY THE TAXPAYER IF THE TAXPAYER  
19 HOLDS CONCERTS AT A TOTAL OF TWO OR MORE CLASS 2 VENUES OR  
20 CLASS 3 VENUES.

21 (D) QUALIFIED REHEARSAL FACILITY.--TO BE CONSIDERED A  
22 QUALIFIED REHEARSAL FACILITY UNDER THIS SUBARTICLE, THE OWNER OF  
23 A REHEARSAL FACILITY SHALL PROVIDE EVIDENCE TO THE DEPARTMENT TO  
24 VERIFY THE DEVELOPMENT OR FACILITY SPECIFICATIONS AND CAPITAL  
25 IMPROVEMENT COSTS INCURRED FOR THE REHEARSAL FACILITY SO THAT  
26 THE THRESHOLD AMOUNTS SET IN THE DEFINITION OF "QUALIFIED  
27 REHEARSAL FACILITY" UNDER SECTION 1772-D ARE SATISFIED, AND,  
28 UPON VERIFICATION, THE REHEARSAL FACILITY SHALL BE REGISTERED BY  
29 THE DEPARTMENT OFFICIALLY AS A QUALIFIED REHEARSAL FACILITY.

30 (E) WAIVER.--THE DEPARTMENT MAY MAKE A DETERMINATION THAT

1 THE FINANCIAL BENEFIT TO THIS COMMONWEALTH RESULTING FROM THE  
2 DIRECT INVESTMENT IN OR PAYMENTS MADE TO PENNSYLVANIA REHEARSAL  
3 AND CONCERT FACILITIES OUTWEIGHS THE BENEFIT OF MAINTAINING THE  
4 60% PENNSYLVANIA REHEARSAL EXPENSES REQUIREMENT CONTAINED IN THE  
5 DEFINITION OF "QUALIFIED REHEARSAL AND TOUR EXPENSE" UNDER  
6 SECTION 1772-D. IF THE DETERMINATION IS MADE, THE DEPARTMENT MAY  
7 WAIVE THE REQUIREMENT THAT 60% OF A TOUR'S AGGREGATE REHEARSAL  
8 EXPENSES BE COMPRISED OF PENNSYLVANIA REHEARSAL EXPENSES.  
9 SECTION 1778-D. PENALTY.

10 A RECIPIENT WHICH CLAIMS A TAX CREDIT AND FAILS TO INCUR THE  
11 AMOUNT OF QUALIFIED REHEARSAL AND TOUR EXPENSES AGREED TO UNDER  
12 SECTION 1773-D(D) (4) FOR A TOUR IN THAT TAXABLE YEAR SHALL REPAY  
13 TO THE COMMONWEALTH AN AMOUNT EQUAL TO 110% OF THE DIFFERENCE  
14 BETWEEN THE AMOUNT AGREED TO UNDER SECTION 1773-D(D) (4) AND THE  
15 AMOUNT OF QUALIFIED REHEARSAL AND TOUR EXPENSES ACTUALLY  
16 INCURRED BY THE RECIPIENT. THE PENALTY SHALL BE ASSESSED AND  
17 COLLECTED UNDER ARTICLE II.

18 SECTION 1779-D. PASS-THROUGH ENTITY.

19 (A) GENERAL RULE.--IF A PASS-THROUGH ENTITY HAS ANY UNUSED  
20 TAX CREDITS UNDER SECTION 1775-D, THE PASS-THROUGH ENTITY MAY  
21 ELECT IN WRITING, ACCORDING TO PROCEDURES ESTABLISHED BY THE  
22 DEPARTMENT OF REVENUE, TO TRANSFER ALL OR A PORTION OF THE TAX  
23 CREDITS TO SHAREHOLDERS, MEMBERS OR PARTNERS IN PROPORTION TO  
24 THE SHARE OF THE ENTITY'S DISTRIBUTIVE INCOME TO WHICH EACH  
25 SHAREHOLDER, MEMBER OR PARTNER IS ENTITLED.

26 (B) LIMITATION.--A PASS-THROUGH ENTITY AND A SHAREHOLDER,  
27 MEMBER OR PARTNER OF A PASS-THROUGH ENTITY MAY NOT CLAIM THE TAX  
28 CREDIT UNDER SUBSECTION (A) FOR THE SAME QUALIFIED REHEARSAL AND  
29 TOUR EXPENSE.

30 (C) APPLICATION.--A SHAREHOLDER, MEMBER OR PARTNER OF A

1 PASS-THROUGH ENTITY TO WHOM A TAX CREDIT IS TRANSFERRED UNDER  
2 SUBSECTION (A) SHALL IMMEDIATELY CLAIM THE TAX CREDIT IN THE  
3 TAXABLE YEAR IN WHICH THE TRANSFER IS MADE. THE SHAREHOLDER,  
4 MEMBER OR PARTNER MAY NOT CARRY FORWARD, CARRY BACK, OBTAIN A  
5 REFUND OF OR SELL OR ASSIGN THE TAX CREDIT.

6 SECTION 1780-D. DEPARTMENT GUIDELINES AND REGULATIONS.

7 THE DEPARTMENT SHALL DEVELOP WRITTEN GUIDELINES FOR THE  
8 IMPLEMENTATION OF THIS SUBARTICLE. THE GUIDELINES SHALL BE IN  
9 EFFECT UNTIL THE DEPARTMENT PROMULGATES REGULATIONS FOR THE  
10 IMPLEMENTATION OF THIS SUBARTICLE.

11 SECTION 1781-D. REPORT TO GENERAL ASSEMBLY.

12 NO LATER THAN JUNE 1, 2018, AND SEPTEMBER 1 OF EACH YEAR  
13 THEREAFTER, THE SECRETARY OF COMMUNITY AND ECONOMIC DEVELOPMENT  
14 SHALL SUBMIT A REPORT TO THE GENERAL ASSEMBLY SUMMARIZING THE  
15 EFFECTIVENESS OF THE TAX CREDITS PROVIDED BY THIS SUBARTICLE.  
16 THE REPORT SHALL INCLUDE THE NAME OF THE TOURS WHICH REHEARSED  
17 IN THIS COMMONWEALTH, THE NAMES OF ALL RECIPIENTS AWARDED A TAX  
18 CREDIT AS OF THE DATE OF THE REPORT AND THE AMOUNT OF TAX  
19 CREDITS APPROVED FOR EACH RECIPIENT. THE REPORT MAY ALSO INCLUDE  
20 RECOMMENDATIONS FOR CHANGES IN THE CALCULATION OR ADMINISTRATION  
21 OF THE TAX CREDITS PROVIDED UNDER THIS SUBARTICLE. THE REPORT  
22 SHALL BE SUBMITTED TO THE CHAIRPERSON AND MINORITY CHAIRPERSON  
23 OF THE APPROPRIATIONS COMMITTEE OF THE SENATE, THE CHAIRPERSON  
24 AND MINORITY CHAIRPERSON OF THE FINANCE COMMITTEE OF THE SENATE,  
25 THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE APPROPRIATIONS  
26 COMMITTEE OF THE HOUSE OF REPRESENTATIVES AND THE CHAIRPERSON  
27 AND MINORITY CHAIRPERSON OF THE FINANCE COMMITTEE OF THE HOUSE  
28 OF REPRESENTATIVES. THE REPORT SHALL INCLUDE THE FOLLOWING  
29 INFORMATION, WHICH SHALL BE SEPARATED BY GEOGRAPHIC LOCATION  
30 WITHIN THIS COMMONWEALTH:

1           (1) THE AMOUNT OF TAX CREDITS CLAIMED DURING THE FISCAL  
2           YEAR BY TOUR.

3           (2) THE TOTAL AMOUNT SPENT IN THIS COMMONWEALTH DURING  
4           THE FISCAL YEAR BY TOURS AND CONCERT TOUR PROMOTION COMPANIES  
5           FOR SERVICES AND SUPPLIES.

6           (3) THE TOTAL AMOUNT OF TAX REVENUES, BOTH DIRECTLY AND  
7           INDIRECTLY, GENERATED FOR THE COMMONWEALTH DURING THE FISCAL  
8           YEAR BY THE CONCERT REHEARSAL AND TOUR INDUSTRY.

9           SECTION 9. SECTIONS 1813-C AND 1814-C OF THE ACT, AMENDED  
10          JULY 13, 2016 (P.L.526, NO.84), ARE AMENDED TO READ:

11          SECTION 1813-C. RESTRICTIONS.

12           (A) UTILIZATION.--MONEY TRANSFERRED UNDER SECTION 1812-C MAY  
13          ONLY BE UTILIZED FOR THE FOLLOWING:

14           (1) PAYMENT OF DEBT SERVICE ON BONDS ISSUED OR  
15          REFINANCED FOR THE ACQUISITION, DEVELOPMENT, CONSTRUCTION,  
16          INCLUDING RELATED INFRASTRUCTURE AND SITE PREPARATION,  
17          RECONSTRUCTION, RENOVATION OR REFINANCING OF A FACILITY IN  
18          THE ZONE AND NORMAL AND CUSTOMARY FEES FOR PROFESSIONAL  
19          SERVICES ASSOCIATED WITH THE ISSUANCE OR REFINANCE OF THE  
20          BONDS.

21           (2) ACQUISITION, DEVELOPMENT, CONSTRUCTION, INCLUDING  
22          RELATED INFRASTRUCTURE AND SITE PREPARATION, RECONSTRUCTION,  
23          RENOVATION OR REFINANCING OF ALL OR A PART OF A FACILITY.

24           (3) REPLENISHMENT OF AMOUNTS IN DEBT SERVICE RESERVE  
25          FUNDS ESTABLISHED TO PAY DEBT SERVICE ON BONDS.

26           (4) EMPLOYMENT OF AN INDEPENDENT AUDITING FIRM TO  
27          PERFORM THE DUTIES UNDER SECTION 1807-C(C).

28           (5) IMPROVEMENT OR DEVELOPMENT OF ALL OR PART OF A ZONE.

29           (6) IMPROVEMENT PROJECTS, INCLUDING FIXTURES AND  
30          EQUIPMENT FOR A FACILITY OWNED, IN WHOLE OR IN PART, BY A

1 PUBLIC AUTHORITY.

2 (7) PAYMENT OR REIMBURSEMENT OF REASONABLE  
3 ADMINISTRATIVE, AUDITING AND COMPLIANCE SERVICES REQUIRED BY  
4 THIS ARTICLE. REASONABLE ADMINISTRATIVE COSTS MAY NOT EXCEED  
5 5% OF THE MONEY TRANSFERRED UNDER SECTION 1812-C. FOR  
6 PURPOSES OF THIS PARAGRAPH, PROFESSIONAL SERVICES SHALL NOT  
7 BE CONSIDERED ADMINISTRATIVE COSTS.

8 (B) PROHIBITION.--MONEY TRANSFERRED UNDER SECTION 1812-C MAY  
9 NOT BE UTILIZED FOR MAINTENANCE OR REPAIR OF A FACILITY.

10 (C) EXCESS MONEY.--

11 (1) [IF] EXCEPT AS SET FORTH IN PARAGRAPH (4), IF THE  
12 AMOUNT OF MONEY TRANSFERRED TO THE FUND UNDER SECTIONS 1811-  
13 C(C) AND 1812-C IN ANY ONE CALENDAR YEAR EXCEEDS THE MONEY  
14 UTILIZED UNDER THIS SECTION IN THAT CALENDAR YEAR, THE  
15 CONTRACTING AUTHORITY SHALL SUBMIT BY APRIL 15 FOLLOWING THE  
16 END OF THE CALENDAR YEAR THE EXCESS MONEY TO THE STATE  
17 TREASURER FOR DEPOSIT INTO THE GENERAL FUND.

18 (2) AT THE TIME OF SUBMISSION TO THE STATE TREASURER,  
19 THE CONTRACTING AUTHORITY SHALL SUBMIT TO THE STATE  
20 TREASURER, THE OFFICE AND THE DEPARTMENT A DETAILED  
21 ACCOUNTING OF THE CALCULATION RESULTING IN THE EXCESS MONEY.

22 (3) THE EXCESS MONEY SHALL BE CREDITED TO THE  
23 CONTRACTING AUTHORITY AND APPLIED TO THE AMOUNT REQUIRED TO  
24 BE REPAYED UNDER SECTION 1812-C(C) (5) UNTIL THERE IS FULL  
25 REPAYMENT.

26 (4) PARAGRAPH (1) DOES NOT APPLY TO MONEY UTILIZED IN A  
27 PILOT ZONE.

28 (D) MATCHING FUNDS.--

29 (1) THE AMOUNT OF MONEY TRANSFERRED FROM THE FUND  
30 UTILIZED FOR THE ACQUISITION, DEVELOPMENT, CONSTRUCTION,

1 INCLUDING RELATED SITE PREPARATION AND INFRASTRUCTURE,  
2 RECONSTRUCTION OR RENOVATION OF FACILITIES, OR NORMAL AND  
3 CUSTOMARY FEES FOR PROFESSIONAL SERVICES SHALL BE MATCHED BY  
4 PRIVATE, FEDERAL OR LOCAL MONEY AT A RATIO OF FIVE FUND  
5 DOLLARS TO ONE PRIVATE, FEDERAL OR LOCAL DOLLAR. THE  
6 CONTRACTING AUTHORITY SHALL VERIFY THE PRIVATE, FEDERAL OR  
7 LOCAL MATCH FOR A PROJECT AT THE TIME OF THE BOND AND REPORT  
8 PROOF OF THE MATCH TO THE AGENCIES. ALL OF THE FOLLOWING  
9 SHALL BE DEEMED PRIVATE MONEY:

10 (I) EQUITY.

11 (II) PRIVATE DEVELOPER DEBT AND FINANCING.

12 (III) SOFT COSTS ASSOCIATED WITH LAND DEVELOPMENT.

13 (IV) COSTS OF PROFESSIONAL SERVICES ASSOCIATED WITH  
14 DEVELOPMENT.

15 (V) COSTS ASSOCIATED WITH IMPROVEMENTS OF THE  
16 PARCEL.

17 (VI) COSTS OF LAND ACQUISITION AND REAL ESTATE  
18 TRANSACTIONS.

19 (1.1) PRIVATE, FEDERAL OR LOCAL DOLLARS INVESTED IN ANY  
20 SINGLE YEAR OR MULTIPLE YEARS MAY BE AMORTIZED OVER THE TERM  
21 OF THE PRIVATE OR PUBLIC FINANCING PROVIDED TO THE PROJECT IN  
22 ORDER TO MEET THE MATCHING FUND RATIO OF FIVE FUND DOLLARS TO  
23 ONE PRIVATE, FEDERAL OR LOCAL DOLLAR INVESTED IN THE PROJECT.

24 (2) BY APRIL 1 FOLLOWING THE BASELINE YEAR AND FOR EACH  
25 YEAR THEREAFTER, THE CONTRACTING AUTHORITY SHALL FILE AN  
26 ANNUAL REPORT WITH THE DEPARTMENT OF COMMUNITY AND ECONOMIC  
27 DEVELOPMENT, THE OFFICE AND THE DEPARTMENT THAT CONTAINS A  
28 DETAILED ACCOUNT OF THE FUND MONEY EXPENDITURES AND THE  
29 PRIVATE, FEDERAL OR LOCAL MONEY EXPENDITURES AND A  
30 CALCULATION OF THE RATIO IN PARAGRAPH (1) FOR THE PRIOR

1 CALENDAR YEAR.

2 (3) IF IT IS DETERMINED THAT INSUFFICIENT PRIVATE,  
3 FEDERAL OR LOCAL MONEY WAS UTILIZED UNDER PARAGRAPH (1), THE  
4 AMOUNT OF FUND MONEY UTILIZED UNDER PARAGRAPH (1) IN THE  
5 PRIOR CALENDAR YEAR SHALL BE DEDUCTED FROM THE NEXT TRANSFER  
6 OF THE FUND.

7 SECTION 1814-C. TRANSFER OF PROPERTY.

8 (A) PROPERTY.--PARCELS IN A ZONE WHERE A FACILITY HAS NOT  
9 BEEN CONSTRUCTED, RECONSTRUCTED OR RENOVATED USING MONEY UNDER  
10 THIS ARTICLE MAY BE TRANSFERRED OUT OF THE ZONE, IF THE  
11 CONTRACTING AUTHORITY PROVIDES A NOTARIZED CERTIFICATION,  
12 CONFIRMED IN THE ANNUAL AUDIT REQUIRED UNDER SECTION 1807-C(C),  
13 THAT NO FUND DOLLARS WERE USED ON THE PROPERTY. ADDITIONAL  
14 ACREAGE, NOT TO EXCEED THE ACREAGE TRANSFERRED OUT OF THE ZONE,  
15 MAY BE [SIMULTANEOUSLY] ADDED TO THE ZONE.

16 (A.1) PUBLIC MEETING.--PRIOR TO REQUESTING APPROVAL, THE  
17 CONTRACTING AUTHORITY SHALL HOLD A PUBLIC MEETING TO CONSIDER  
18 THE PROPOSED TRANSFER. AT THE MEETING, ANY INTERESTED PARTY MAY  
19 ATTEND AND OFFER COMMENT ON THE PROPOSAL CHANGE.

20 (A.2) INFEASIBILITY.--

21 (1) IF NO ACTIVITY IN FURTHERANCE OF DEVELOPMENT HAS  
22 TAKEN PLACE ON THE PARCEL WITHIN EIGHT YEARS OF THE ENACTMENT  
23 OF THIS SECTION OR DESIGNATION OF THE ZONE, WHICHEVER OCCURS  
24 LATER, THE CONTRACTING AUTHORITY MAY CONDUCT A PUBLIC HEARING  
25 ON THE FEASIBILITY OF THE PARCEL TO CONTINUE WITH THE  
26 DESIGNATION PURSUANT TO A REQUEST FROM THE CITY OR  
27 MUNICIPALITY WHERE THE PARCEL SITS. THE HEARING SHALL BE HELD  
28 AND NOTICE PROVIDED TO THE OWNER OF THE PARCEL IN ACCORDANCE  
29 WITH SECTION 908 OF THE ACT OF JULY 31, 1968 (P.L.805,  
30 NO.247), KNOWN AS THE PENNSYLVANIA MUNICIPALITIES PLANNING

1 CODE. FOR PURPOSES OF THIS SECTION, ACTIVITY SHALL INCLUDE,  
2 BUT NOT BE LIMITED TO, CONSTRUCTION, BUILDING, RENOVATION,  
3 RECONSTRUCTION, SITE PREPARATION AND SITE DEVELOPMENT.

4 (2) IF THE CONTRACTING AUTHORITY DETERMINES THAT THE  
5 PROJECT IS NO LONGER FEASIBLE, THE CONTRACTING AUTHORITY  
6 SHALL ISSUE A WRITTEN OPINION WITHIN 45 DAYS OF THE HEARING  
7 SETTING FORTH THE REASONS SUPPORTING THE DETERMINATION AND  
8 VERIFYING THAT NO ACTIVITY HAS TAKEN PLACE. THE DECISION MAY  
9 BE APPEALED IN ACCORDANCE WITH SECTION 1001-A OF THE  
10 PENNSYLVANIA MUNICIPALITIES PLANNING CODE.

11 (B) APPROVAL.--A TRANSFER UNDER SUBSECTIONS (A) AND (A.2)  
12 MUST BE APPROVED BY THE DEPARTMENT OF COMMUNITY AND ECONOMIC  
13 DEVELOPMENT IN CONSULTATION WITH THE OFFICE AND THE DEPARTMENT.

14 SECTION 10. THE DEFINITION OF "CONTRACTING AUTHORITY" IN  
15 SECTION 1902-B OF THE ACT IS AMENDED TO READ:

16 SECTION 1902-B. DEFINITIONS.

17 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE  
18 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
19 CONTEXT CLEARLY INDICATES OTHERWISE:

20 \* \* \*

21 "CONTRACTING AUTHORITY." AN AUTHORITY CREATED UNDER 53  
22 PA.C.S. CH. 56 (RELATING TO MUNICIPAL AUTHORITIES) FOR THE  
23 PURPOSE OF DESIGNATING A NEIGHBORHOOD IMPROVEMENT ZONE AND  
24 CONSTRUCTING A FACILITY OR OTHER AUTHORITY CREATED UNDER THE  
25 LAWS OF THIS COMMONWEALTH WHICH IS ELIGIBLE TO APPLY FOR AND  
26 RECEIVE REDEVELOPMENT ASSISTANCE CAPITAL GRANTS UNDER CHAPTER 3  
27 OF THE ACT OF FEBRUARY 9, 1999 (P.L.1, NO.1), KNOWN AS THE  
28 CAPITAL FACILITIES DEBT ENABLING ACT. NOTWITHSTANDING THE  
29 PROVISIONS OF 53 PA.C.S. § 5610 (RELATING TO GOVERNING BODY) AND  
30 ANY OTHER LAW, THE APPOINTMENT OF ANY MEMBER OF THE BOARD OF THE

1 CONTRACTING AUTHORITY FOR THE TERM OF A BOARD MEMBER WHICH  
2 BEGINS AFTER JULY 1, 2017, SHALL BE MADE AS FOLLOWS:

3 (1) THREE MEMBERS APPOINTED BY THE PRESIDENT PRO TEMPORE  
4 OF THE SENATE;

5 (2) THREE MEMBERS APPOINTED BY THE LEADER OF THE CAUCUS  
6 OF THE MEMBER OF THE HOUSE OF REPRESENTATIVES WHOSE DISTRICT  
7 INCLUDES THE MAJORITY OF THE ZONE; AND

8 (3) THREE MEMBERS APPOINTED BY THE MAYOR OF THE CITY IN  
9 WHICH THE ZONE IS LOCATED IN ACCORDANCE WITH 53 PA.C.S. CH.  
10 56.

11 \* \* \*

12 SECTION 11. THE ACT IS AMENDED BY ADDING A SECTION TO READ:  
13 SECTION 1904.3-B. TRANSFER OF PROPERTY.

14 (A) TRANSFER OF PARCELS.--PARCELS IN A ZONE MAY BE  
15 TRANSFERRED OUT OF THE ZONE AND REPLACED WITH PARCELS NOT TO  
16 EXCEED THE ACREAGE TRANSFERRED OUT OF THE ZONE BY THE  
17 CONTRACTING AUTHORITY, IF:

18 (1) THE DEPARTMENT CERTIFIES THAT THERE IS CURRENTLY NO  
19 ACTIVITY IN THE PARCELS TRANSFERRED IN THE ZONE THAT  
20 GENERATES TAX RECEIPTS OR OTHER REVENUE TO THE COMMONWEALTH.

21 (2) THE MUNICIPALITY WHERE THE ZONE IS LOCATED CERTIFIES  
22 THAT THERE IS CURRENTLY NO ACTIVITY IN THE PARCELS  
23 TRANSFERRED INTO THE ZONE THAT GENERATES TAX RECEIPTS OR  
24 OTHER REVENUE, OTHER THAN TAXES ON REAL PROPERTY, TO THE  
25 MUNICIPALITY AND THE SCHOOL DISTRICT AND COUNTY WHERE THE  
26 ZONE IS LOCATED.

27 (B) PUBLIC HEARING.--THE FOLLOWING APPLY:

28 (1) FOR A PARCEL IDENTIFIED BY THE CONTRACTING AUTHORITY  
29 TO BE TRANSFERRED OUT OF THE ZONE, THE CONTRACTING AUTHORITY  
30 MAY CONDUCT A PUBLIC HEARING PURSUANT TO A REQUEST FROM AN

1 OWNER OF REAL ESTATE LOCATED WITHIN THE PARCEL OR THE CITY OR  
2 MUNICIPALITY WHERE THE PARCEL SITS. THE HEARING SHALL BE HELD  
3 AND NOTICE OF THE HEARING PROVIDED TO THE OWNER OF THE PARCEL  
4 IN ACCORDANCE WITH SECTION 908 OF THE ACT OF JULY 31, 1968  
5 (P.L.805, NO.247), KNOWN AS THE PENNSYLVANIA MUNICIPALITIES  
6 PLANNING CODE.

7 (2) IF THE CONTRACTING AUTHORITY DETERMINES THAT IT WILL  
8 TRANSFER A PARCEL OUT OF THE ZONE, THE CONTRACTING AUTHORITY  
9 SHALL ISSUE A WRITTEN OPINION WITHIN 45 DAYS OF THE HEARING  
10 SETTING FORTH THE REASONS SUPPORTING THE DETERMINATION.

11 SECTION 11.1. SECTION 1911-D(C) OF THE ACT, ADDED JULY 13,  
12 2016 (P.L.526, NO.84), IS AMENDED TO READ:

13 SECTION 1911-D. ADDITIONAL KEYSTONE OPPORTUNITY ZONES.

14 \* \* \*

15 (C) APPLICATION.--IN ORDER TO RECEIVE A DESIGNATION UNDER  
16 THIS SECTION, THE DEPARTMENT MUST RECEIVE AN APPLICATION FROM A  
17 POLITICAL SUBDIVISION OR ITS DESIGNEE NO LATER THAN OCTOBER 1,  
18 [2016] 2018. THE APPLICATION MUST CONTAIN THE INFORMATION  
19 REQUIRED UNDER SECTION 302 (A) (1), (2) (I) AND (IX), (5) AND (6)  
20 OF THE KOZ ACT. THE DEPARTMENT, IN CONSULTATION WITH THE  
21 DEPARTMENT OF REVENUE, SHALL REVIEW THE APPLICATION AND, IF  
22 APPROVED, ISSUE A CERTIFICATION OF ALL TAX EXEMPTIONS,  
23 DEDUCTIONS, ABATEMENTS OR CREDITS UNDER THIS ACT FOR THE ZONE  
24 WITHIN THREE MONTHS OF RECEIPT OF THE APPLICATION. THE  
25 DEPARTMENT SHALL ACT ON AN APPLICATION FOR A DESIGNATION UNDER  
26 SECTION 302 (A) (1) OF THE KOZ ACT BY DECEMBER 31, [2016] 2018.  
27 THE DEPARTMENT MAY MAKE DESIGNATIONS UNDER THIS SECTION ON A  
28 ROLLING BASIS DURING THE APPLICATION PERIOD.

29 \* \* \*

30 SECTION 11.2. SECTION 2166 OF THE ACT IS AMENDED TO READ:

1 SECTION 2166. TIMELY MAILING TREATED AS TIMELY FILING AND  
2 PAYMENT.--NOTWITHSTANDING THE PROVISIONS OF ANY STATE TAX LAW TO  
3 THE CONTRARY, WHENEVER A REPORT OR PAYMENT OF ALL OR ANY PORTION  
4 OF A STATE TAX IS REQUIRED BY LAW TO BE RECEIVED BY THE  
5 DEPARTMENT OR OTHER AGENCY OF THE COMMONWEALTH ON OR BEFORE A  
6 DAY CERTAIN, THE TAXPAYER SHALL BE DEEMED TO HAVE COMPLIED WITH  
7 THE LAW IF THE LETTER TRANSMITTING THE REPORT OR PAYMENT OF THE  
8 TAX WHICH HAS BEEN RECEIVED BY THE DEPARTMENT IS POSTMARKED BY  
9 THE UNITED STATES POSTAL SERVICE ON OR PRIOR TO THE FINAL DAY ON  
10 WHICH THE PAYMENT IS TO BE RECEIVED. FOR THE PURPOSES OF THIS  
11 ARTICLE, PRESENTATION OF A RECEIPT INDICATING THAT THE REPORT OR  
12 PAYMENT WAS MAILED BY REGISTERED OR CERTIFIED MAIL ON OR BEFORE  
13 THE DUE DATE SHALL BE EVIDENCE OF TIMELY FILING AND PAYMENT. ANY  
14 INHERITANCE TAX RETURN FILED AFTER JULY 1, 2013, UNDER SECTION  
15 2136 THAT REPORTS TRANSFERS OF PROPERTY THAT ARE EXEMPT FROM THE  
16 INHERITANCE TAX UNDER SECTION 2111(S), (S.1) AND (T) SHALL BE  
17 CONSIDERED TIMELY FILED IF FILED WITHIN ONE YEAR OF THE TAX  
18 RETURN DUE DATE, INCLUDING AN EXTENDED DUE DATE.

19 SECTION 12. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

20 ARTICLE XXII

21 ELECTRIC GRID VIRTUAL FINANCIAL TRANSACTIONS TAX

22 SECTION 2201. DEFINITIONS.

23 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE  
24 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
25 CONTEXT CLEARLY INDICATES OTHERWISE:

26 "DECREMENT TRANSACTION." A VIRTUAL TRANSACTION THAT IS A  
27 CLEARED HOURLY BID, EXPRESSED IN MEGAWATT HOURS, TO PURCHASE  
28 ENERGY AT A SPECIFIED LOCATION IN THE DAY-AHEAD ENERGY MARKET IF  
29 THE DAY-AHEAD LOCATIONAL MARGINAL PRICE IS LESS THAN OR EQUAL TO  
30 THE SPECIFIED BID PRICE.

1 "ELECTRIC GRID VIRTUAL FINANCIAL TRANSACTION." AN INCREMENT  
2 TRANSACTION, DECREMENT TRANSACTION OR AN UP-TO-CONGESTION  
3 TRANSACTION.

4 "INCREMENT TRANSACTION." A VIRTUAL TRANSACTION THAT IS A  
5 CLEARED HOURLY OFFER, EXPRESSED IN MEGAWATT HOURS, TO SELL  
6 ENERGY AT A SPECIFIED LOCATION IN THE DAY-AHEAD ENERGY MARKET IF  
7 THE DAY-AHEAD LOCATIONAL MARGINAL PRICE IS GREATER THAN OR EQUAL  
8 TO THE SPECIFIED OFFER PRICE.

9 "REGIONAL TRANSMISSION ORGANIZATION." AN ENTITY, LOCATED IN  
10 THIS COMMONWEALTH, DESIGNATED BY THE FEDERAL ENERGY REGULATORY  
11 COMMISSION TO OPERATE A MULTISTATE ELECTRIC GRID, OR ITS  
12 AFFILIATES.

13 "UP-TO-CONGESTION TRANSACTION." A VIRTUAL TRANSACTION THAT  
14 IS A CLEARED BID IN THE DAY-AHEAD ENERGY MARKET BASED ON THE  
15 DIFFERENCE IN THE LOCATIONAL MARGINAL PRICES BETWEEN TWO POINTS.  
16 THE CLEARED UP-TO-CONGESTION BID CONSISTS OF A SPECIFIED SOURCE  
17 AND SINK PATH, MEGAWATT HOUR QUANTITY AND A BID SPREAD THAT  
18 IDENTIFIES THE AMOUNT THAT THE MARKET PARTICIPANT IS WILLING TO  
19 PAY FOR A CONGESTION AND LOSS POSITION BETWEEN THE SOURCE AND  
20 THE SINK.

21 SECTION 2202. IMPOSITION.

22 THERE IS IMPOSED A TAX AT THE RATE OF FIVE PERCENT ON THE  
23 GROSS TRANSACTION AMOUNT WITHOUT DEDUCTION OF ELECTRIC GRID  
24 VIRTUAL FINANCIAL TRANSACTIONS IN THE ELECTRICITY MARKETS  
25 ADMINISTERED BY THE REGIONAL TRANSMISSION ORGANIZATION. THE TAX  
26 SHALL BE IMPOSED ON AND OWED BY THE ENTITY INITIATING THE  
27 ELECTRIC GRID VIRTUAL FINANCIAL TRANSACTION IN THE ELECTRICITY  
28 MARKETS ADMINISTERED BY THE REGIONAL TRANSMISSION ORGANIZATION.  
29 THE TAX SHALL BE ASSESSED ON THE ENTITIES INITIATING ELECTRIC  
30 GRID VIRTUAL FINANCIAL TRANSACTIONS AND COLLECTED AT THE TIME OF

1 SETTLEMENT OF THE ELECTRIC GRID VIRTUAL TRANSACTIONS.

2 SECTION 2203. REMITTANCE.

3 (A) TIME.--THE TAX IMPOSED UNDER SECTION 2202 SHALL BE:

4 (1) DUE ON THE 20TH DAY OF EACH MONTH FOR GROSS  
5 TRANSACTION AMOUNTS WITHOUT DEDUCTION ATTRIBUTABLE TO  
6 ELECTRIC GRID VIRTUAL TRANSACTIONS OCCURRING IN THE PRIOR  
7 CALENDAR MONTH; AND

8 (2) REMITTED TO THE DEPARTMENT OF REVENUE BY THE  
9 REGIONAL TRANSMISSION ORGANIZATION THAT ADMINISTERS THE  
10 ELECTRICITY MARKETS IN WHICH THE ELECTRIC GRID VIRTUAL  
11 FINANCIAL TRANSACTION WAS INITIATED.

12 (B) REPORT.--THE TAX SHALL BE REPORTED IN THE FORM OR MANNER  
13 REQUIRED BY THE DEPARTMENT OF REVENUE.

14 SECTION 2204. PROCEDURE AND ENFORCEMENT.

15 CHAPTERS IV, V, VI, VII AND VIII OF PART VI OF ARTICLE II ARE  
16 INCORPORATED BY REFERENCE INTO THIS ARTICLE IN SO FAR AS THEY  
17 ARE CONSISTENT WITH THIS ARTICLE AND APPLICABLE TO THE TAX  
18 IMPOSED UNDER THIS ARTICLE.

19 SECTION 13. SECTION 2301(E) OF THE ACT IS AMENDED AND THE  
20 SECTION IS AMENDED BY ADDING A SUBSECTION TO READ:

21 SECTION 2301. PUBLIC TRANSPORTATION ASSISTANCE FUND.--\* \* \*

22 (E) [THERE] EXCEPT AS PROVIDED IN SUBSECTION (E.1), THERE IS  
23 HEREBY IMPOSED ON EACH RENTAL OF A MOTOR VEHICLE SUBJECT TO TAX  
24 UNDER ARTICLE II A FEE OF TWO DOLLARS (\$2) FOR EACH DAY OR PART  
25 OF A DAY FOR WHICH THE VEHICLE IS RENTED.

26 (E.1) (1) THERE IS HEREBY IMPOSED ON EACH RENTAL OF A MOTOR  
27 VEHICLE SUBJECT TO TAX UNDER ARTICLE II AND USED IN CARSHARING A  
28 FEE FOR EACH DAY OR PART OF A DAY COMPUTED ACCORDING TO THE  
29 FOLLOWING SCHEDULE:

30 RENTAL INTERVAL FEE

|   |                              |               |
|---|------------------------------|---------------|
| 1 | <u>LESS THAN 2 HOURS</u>     | <u>\$.25</u>  |
| 2 | <u>2 TO 3 HOURS</u>          | <u>\$.50</u>  |
| 3 | <u>MORE THAN 3, BUT LESS</u> |               |
| 4 | <u>THAN 4 HOURS</u>          | <u>\$1.25</u> |
| 5 | <u>4 HOURS OR MORE</u>       | <u>\$2.00</u> |

6 (2) FOR PURPOSES OF THIS SUBSECTION, THE TERM "CARSHARING"  
7 SHALL MEAN A MEMBERSHIP BASED SERVICE THAT PROVIDES AN  
8 ALTERNATIVE TO PERSONAL CAR OWNERSHIP AND WHICH MEETS THE  
9 FOLLOWING CONDITIONS:

10 (I) DOES NOT REQUIRE A TRIP-SPECIFIC WRITTEN AGREEMENT EACH  
11 TIME A MEMBER RENTS A VEHICLE.

12 (II) DOES NOT REQUIRE AN ATTENDANT TO BE PRESENT AT THE  
13 BEGINNING OR END OF A RENTAL.

14 (III) OFFERS MEMBERS ACCESS TO A DISPERSED NETWORK OF SHARED  
15 VEHICLES 24-HOURS PER DAY, 7 DAYS PER WEEK, 365 DAYS PER YEAR.

16 (IV) ALLOWS A VEHICLE TO BE RENTED ON A PER MINUTE, PER  
17 HOURLY, PER DAY, OR PER TRIP BASIS, AND AT PER MILE OR PER  
18 KILOMETER RATES, WHICH TYPICALLY INCLUDE FUEL, INSURANCE AND  
19 MAINTENANCE.

20 SECTION 13.1. THE ACT IS AMENDED BY ADDING ARTICLES TO READ:

21 ARTICLE XXIV

22 FIREWORKS

23 SECTION 2401. DEFINITIONS.

24 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE  
25 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
26 CONTEXT CLEARLY INDICATES OTHERWISE:

27 "APA 87-1." THE AMERICAN PYROTECHNICS ASSOCIATION STANDARD  
28 87-1: STANDARD FOR CONSTRUCTION AND APPROVAL FOR TRANSPORTATION  
29 OF FIREWORKS, NOVELTIES, AND THEATRICAL PYROTECHNICS, 2001  
30 EDITION, OR ANY SUBSEQUENT EDITION.

1 "CONSUMER FIREWORKS."

2 (1) ANY COMBUSTIBLE OR EXPLOSIVE COMPOSITION OR ANY  
3 SUBSTANCE OR COMBINATION OF SUBSTANCES WHICH IS INTENDED TO  
4 PRODUCE VISIBLE OR AUDIBLE EFFECTS BY COMBUSTION, IS SUITABLE  
5 FOR USE BY THE PUBLIC, COMPLIES WITH THE CONSTRUCTION,  
6 PERFORMANCE, COMPOSITION AND LABELING REQUIREMENTS  
7 PROMULGATED BY THE CONSUMER PRODUCTS SAFETY COMMISSION IN 16  
8 CFR (RELATING TO COMMERCIAL PRACTICES) OR ANY SUCCESSOR  
9 REGULATION AND COMPLIES WITH THE PROVISIONS FOR "CONSUMER  
10 FIREWORKS" AS DEFINED IN APA 87-1 OR ANY SUCCESSOR STANDARD,  
11 THE SALE, POSSESSION AND USE OF WHICH SHALL BE PERMITTED  
12 THROUGHOUT THIS COMMONWEALTH.

13 (2) THE TERM DOES NOT INCLUDE DEVICES AS "GROUND AND  
14 HAND-HELD SPARKLING DEVICES," "NOVELTIES" OR "TOY CAPS" IN  
15 APA 87-1 OR ANY SUCCESSOR STANDARD, THE SALE, POSSESSION AND  
16 USE OF WHICH SHALL BE PERMITTED AT ALL TIMES THROUGHOUT THIS  
17 COMMONWEALTH.

18 "DISPLAY FIREWORKS." LARGE FIREWORKS TO BE USED SOLELY BY  
19 PROFESSIONAL PYROTECHNICIANS LICENSED BY THE DEPARTMENT OF  
20 AGRICULTURE AND DESIGNED PRIMARILY TO PRODUCE VISIBLE OR AUDIBLE  
21 EFFECTS BY COMBUSTION, DEFLAGRATION OR DETONATION. THE TERM  
22 INCLUDES, BUT IS NOT LIMITED TO:

23 (1) SALUTES THAT CONTAIN MORE THAN TWO GRAINS OR 130  
24 MILLIGRAMS OF EXPLOSIVE MATERIALS;

25 (2) AERIAL SHELLS CONTAINING MORE THAN 60 GRAMS OF  
26 PYROTECHNIC COMPOSITIONS; AND

27 (3) OTHER DISPLAY PIECES THAT EXCEED THE LIMITS OF  
28 EXPLOSIVE MATERIALS FOR CLASSIFICATION AS CONSUMER FIREWORKS  
29 AND ARE CLASSIFIED AS FIREWORKS UN0333, UN0334 OR UN0335  
30 UNDER 49 CFR 172.101 (RELATING TO PURPOSE AND USE OF

1 HAZARDOUS MATERIALS TABLE).

2 "MUNICIPALITY." A CITY, BOROUGH, INCORPORATED TOWN OR  
3 TOWNSHIP.

4 "NFPA 1124." THE NATIONAL FIRE PROTECTION ASSOCIATION  
5 STANDARD 1124, CODE FOR THE MANUFACTURE, TRANSPORTATION AND  
6 STORAGE OF FIREWORKS AND PYROTECHNIC ARTICLES, 2017 EDITION, OR  
7 ANY SUBSEQUENT EDITION.

8 "OCCUPIED STRUCTURE." A STRUCTURE, VEHICLE OR PLACE ADAPTED  
9 FOR OVERNIGHT ACCOMMODATION OF PERSONS OR FOR CONDUCTING  
10 BUSINESS WHETHER OR NOT A PERSON IS ACTUALLY PRESENT.

11 "OUTDOOR STORAGE UNIT." A CONSUMER FIREWORKS BUILDING,  
12 TRAILER, SEMITRAILER, METAL SHIPPING CONTAINER OR MAGAZINE  
13 MEETING THE SPECIFICATIONS OF NFPA 1124.

14 "TEMPORARY STRUCTURE." A STRUCTURE, OTHER THAN A PERMANENT  
15 FACILITY WITH FIXED UTILITY CONNECTIONS, WHICH IS IN USE OR IN  
16 PLACE FOR A PERIOD OF 20 CONSECUTIVE CALENDAR DAYS OR LESS AND  
17 IS DEDICATED TO THE STORAGE AND SALE OF CONSUMER FIREWORKS AND  
18 RELATED ITEMS. THE TERM INCLUDES TEMPORARY RETAIL SALES STANDS,  
19 TENTS, CANOPIES AND MEMBRANE STRUCTURES MEETING THE  
20 SPECIFICATIONS OF NFPA 1124.

21 SECTION 2402. PERMITS.

22 (A) PERMISSIBLE PURPOSES.--DISPLAY FIREWORKS MAY BE  
23 POSSESSED AND USED BY A PERSON HOLDING A PERMIT FROM A  
24 MUNICIPALITY AT THE DISPLAY COVERED BY THE PERMIT OR WHEN USED  
25 AS AUTHORIZED BY A PERMIT FOR ANY OF THE FOLLOWING:

26 (1) FOR AGRICULTURAL PURPOSES IN CONNECTION WITH THE  
27 RAISING OF CROPS AND THE PROTECTION OF CROPS FROM BIRD AND  
28 ANIMAL DAMAGE.

29 (2) BY RAILROADS OR OTHER TRANSPORTATION AGENCIES FOR  
30 SIGNAL PURPOSES OR ILLUMINATION.

1           (3) IN QUARRYING OR FOR BLASTING OR OTHER INDUSTRIAL  
2           USE.

3           (4) IN THE SALE OR USE OF BLANK CARTRIDGES FOR A SHOW OR  
4           THEATER.

5           (5) FOR SIGNAL OR CEREMONIAL PURPOSES IN ATHLETICS OR  
6           SPORTS.

7           (6) BY MILITARY ORGANIZATIONS OR ORGANIZATIONS COMPOSED  
8           OF VETERANS OF THE ARMED FORCES OF THE UNITED STATES.

9           (B) AGE LIMITATION.--A DISPLAY FIREWORKS PERMIT MAY NOT BE  
10          ISSUED TO A PERSON UNDER 21 YEARS OF AGE.

11          (C) BOND.--THE GOVERNING BODY OF THE MUNICIPALITY SHALL  
12          REQUIRE A BOND DEEMED ADEQUATE BY IT FROM THE LICENSEE IN A SUM  
13          NOT LESS THAN \$50,000 CONDITIONED FOR THE PAYMENT OF ALL DAMAGES  
14          WHICH MAY BE CAUSED TO A PERSON OR PROPERTY BY REASON OF THE  
15          LICENSED DISPLAY AND ARISING FROM AN ACT OF THE LICENSEE OR AN  
16          AGENT, AN EMPLOYEE OR A SUBCONTRACTOR OF THE LICENSEE.  
17          SECTION 2403. REQUEST FOR EXTENSION.

18          (A) AUTHORIZATION.--IF, BECAUSE OF UNFAVORABLE WEATHER, THE  
19          DISPLAY FOR WHICH A PERMIT HAS BEEN GRANTED DOES NOT OCCUR AT  
20          THE TIME AUTHORIZED BY THE PERMIT, THE PERSON TO WHOM THE PERMIT  
21          WAS ISSUED MAY WITHIN 24 HOURS APPLY FOR A REQUEST FOR EXTENSION  
22          TO THE AUTHORITY WHICH GRANTED THE PERMIT.

23          (B) CONTENTS OF REQUEST.--THE REQUEST FOR EXTENSION SHALL  
24          STATE UNDER OATH THAT THE DISPLAY WAS NOT MADE, PROVIDE THE  
25          REASON THAT THE DISPLAY WAS NOT MADE AND REQUEST A CONTINUANCE  
26          OF THE PERMIT FOR A DATE DESIGNATED WITHIN THE REQUEST, WHICH  
27          SHALL BE NOT LATER THAN ONE WEEK AFTER THE DATE ORIGINALLY  
28          DESIGNATED IN THE PERMIT.

29          (C) DETERMINATION.--UPON RECEIVING THE REQUEST FOR  
30          EXTENSION, THE AUTHORITY, IF IT BELIEVES THAT THE FACTS STATED

1 WITHIN THE REQUEST ARE TRUE, SHALL EXTEND THE PROVISIONS OF THE  
2 PERMIT TO THE DATE DESIGNATED WITHIN THE REQUEST, WHICH SHALL BE  
3 NOT LATER THAN ONE WEEK AFTER THE DATE ORIGINALLY DESIGNATED IN  
4 THE PERMIT.

5 (D) CONDITIONS.--THE EXTENSION OF TIME SHALL BE GRANTED  
6 WITHOUT THE PAYMENT OF AN ADDITIONAL FEE AND WITHOUT REQUIRING A  
7 BOND OTHER THAN THE BOND GIVEN FOR THE ORIGINAL PERMIT, THE  
8 PROVISIONS OF WHICH SHALL EXTEND TO AND COVER ALL DAMAGES WHICH  
9 MAY BE CAUSED BY REASON OF THE DISPLAY OCCURRING AT THE EXTENDED  
10 DATE AND IN THE SAME MANNER AND TO THE SAME EXTENT AS IF THE  
11 DISPLAY HAD OCCURRED AT THE DATE ORIGINALLY DESIGNATED IN THE  
12 PERMIT.

13 SECTION 2404. USE OF CONSUMER FIREWORKS.

14 (A) CONDITIONS.--A PERSON WHO IS AT LEAST 18 YEARS OF AGE  
15 AND MEETS THE REQUIREMENTS OF THIS ARTICLE MAY PURCHASE, POSSESS  
16 AND USE CONSUMER FIREWORKS.

17 (B) PROHIBITIONS.--A PERSON MAY NOT INTENTIONALLY IGNITE OR  
18 DISCHARGE:

19 (1) CONSUMER FIREWORKS ON PUBLIC OR PRIVATE PROPERTY  
20 WITHOUT THE EXPRESS PERMISSION OF THE OWNER.

21 (2) CONSUMER FIREWORKS OR SPARKLING DEVICES WITHIN, OR  
22 THROW CONSUMER FIREWORKS OR SPARKLING DEVICES FROM, A MOTOR  
23 VEHICLE OR BUILDING.

24 (3) CONSUMER FIREWORKS OR SPARKLING DEVICES INTO OR AT A  
25 MOTOR VEHICLE OR BUILDING OR AT ANOTHER PERSON.

26 (4) CONSUMER FIREWORKS OR SPARKLING DEVICES WHILE THE  
27 PERSON IS UNDER THE INFLUENCE OF ALCOHOL, A CONTROLLED  
28 SUBSTANCE OR ANOTHER DRUG.

29 (5) CONSUMER FIREWORKS WITHIN 150 FEET OF AN OCCUPIED  
30 STRUCTURE.

1 SECTION 2404.1. USE OF DISPLAY FIREWORKS.

2 NO DISPLAY FIREWORKS SHALL BE IGNITED WITHIN 300 FEET OF A  
3 FACILITY.

4 SECTION 2405. AGRICULTURAL PURPOSES.

5 (A) AUTHORIZATION.--THE GOVERNING BODY OF A MUNICIPALITY  
6 MAY, UNDER REASONABLE RULES AND REGULATIONS ADOPTED BY IT, GRANT  
7 PERMITS FOR THE USE OF SUITABLE FIREWORKS FOR AGRICULTURAL  
8 PURPOSES IN CONNECTION WITH THE RAISING OF CROPS AND THE  
9 PROTECTION OF CROPS FROM BIRD AND ANIMAL DAMAGE.

10 (B) DURATION OF PERMIT.--A PERMIT UNDER THIS SECTION SHALL  
11 REMAIN IN EFFECT FOR THE CALENDAR YEAR IN WHICH IT WAS ISSUED.

12 (C) CONDITIONS.--AFTER A PERMIT UNDER THIS SECTION HAS BEEN  
13 GRANTED, SALES, POSSESSION AND USE OF FIREWORKS OF THE TYPE AND  
14 FOR THE PURPOSE MENTIONED IN THE PERMIT SHALL BE LAWFUL FOR THAT  
15 PURPOSE ONLY.

16 SECTION 2406. RULES AND REGULATIONS BY MUNICIPALITY.

17 (A) AUTHORIZATION.--PERMISSION SHALL BE GIVEN BY THE  
18 GOVERNING BODY OF A MUNICIPALITY UNDER REASONABLE RULES AND  
19 REGULATIONS FOR DISPLAYS OF DISPLAY FIREWORKS TO BE HELD WITHIN  
20 THE MUNICIPALITY.

21 (B) CONDITIONS.--

22 (1) EACH DISPLAY SHALL BE:

23 (I) HANDLED BY A COMPETENT OPERATOR; AND

24 (II) OF A CHARACTER AND SO LOCATED, DISCHARGED OR  
25 FIRE AS, IN THE OPINION OF THE CHIEF OF THE FIRE  
26 DEPARTMENT OR OTHER APPROPRIATE OFFICER AS MAY BE  
27 DESIGNATED BY THE GOVERNING BODY OF THE MUNICIPALITY,  
28 AFTER PROPER INSPECTION, TO NOT BE HAZARDOUS TO PROPERTY  
29 OR ENDANGER ANY PERSON.

30 (2) AFTER PERMISSION IS GRANTED UNDER THIS SECTION,

1 POSSESSION AND USE OF DISPLAY FIREWORKS FOR DISPLAY SHALL BE  
2 LAWFUL FOR THAT PURPOSE ONLY.

3 (3) A PERMIT SHALL BE TRANSFERABLE.

4 SECTION 2407. SALES LOCATIONS.

5 EXCEPT AS PROVIDED IN SECTION 2410, CONSUMER FIREWORKS SHALL  
6 BE SOLD ONLY FROM FACILITIES WHICH ARE LICENSED BY THE  
7 DEPARTMENT OF AGRICULTURE AND THAT MEET THE FOLLOWING CRITERIA:

8 (1) THE FACILITY SHALL COMPLY WITH THE PROVISIONS OF THE  
9 ACT OF NOVEMBER 10, 1999 (P.L.491, NO.45), KNOWN AS THE  
10 PENNSYLVANIA CONSTRUCTION CODE ACT.

11 (2) THE FACILITY SHALL BE A STAND-ALONE PERMANENT  
12 STRUCTURE.

13 (3) STORAGE AREAS SHALL BE SEPARATED FROM WHOLESALE OR  
14 RETAIL SALES AREAS TO WHICH A PURCHASER MAY BE ADMITTED BY  
15 APPROPRIATELY RATED FIRE SEPARATION.

16 (4) THE FACILITY SHALL BE LOCATED NO CLOSER THAN 250  
17 FEET FROM A FACILITY SELLING OR DISPENSING GASOLINE, PROPANE  
18 OR OTHER FLAMMABLE PRODUCTS.

19 (5) THE FACILITY SHALL BE LOCATED AT LEAST 1,500 FEET  
20 FROM ANOTHER FACILITY LICENSED TO SELL CONSUMER FIREWORKS.

21 (6) THE FACILITY SHALL HAVE A MONITORED BURGLAR AND FIRE  
22 ALARM SYSTEM.

23 (7) QUARTERLY FIRE DRILLS AND PREPLANNING MEETINGS SHALL  
24 BE CONDUCTED AS REQUIRED BY THE PRIMARY FIRE DEPARTMENT.

25 SECTION 2408. FEES, GRANTING OF LICENSES AND INSPECTIONS.

26 (A) INITIAL APPLICATION FEES.--

27 (1) AN INITIAL APPLICATION FOR A LICENSE TO SELL  
28 CONSUMER FIREWORKS SHALL BE SUBMITTED TO THE DEPARTMENT OF  
29 AGRICULTURE ON FORMS PRESCRIBED AND PROVIDED BY THE  
30 DEPARTMENT WITH A NONREFUNDABLE APPLICATION FEE AS FOLLOWS:

1           (I) FOR A FACILITY MEETING THE REQUIREMENTS OF  
2           SECTION 2407, THE APPLICATION SHALL BE SUBMITTED WITH A  
3           NONREFUNDABLE APPLICATION FEE OF \$2,500.

4           (II) FOR A FACILITY MEETING THE REQUIREMENTS OF  
5           SECTION 2410, THE APPLICATION SHALL BE SUBMITTED WITH A  
6           NONREFUNDABLE APPLICATION FEE OF \$1,000 NO LATER THAN 30  
7           DAYS PRIOR TO THE FIRST DAY OF SALE.

8           (2) AN APPLICATION UNDER PARAGRAPH (1) (I) OR (II) SHALL  
9           ALSO BE ACCOMPANIED BY THE APPROPRIATE ANNUAL LICENSE FEE AS  
10          PROVIDED IN SUBSECTION (B).

11          (B) ANNUAL LICENSE FEES.--THE ANNUAL LICENSE FEE FOR A  
12          FACILITY LICENSED TO SELL CONSUMER FIREWORKS SHALL BE AS  
13          FOLLOWS:

14           (1) \$7,500 FOR A LOCATION UP TO 10,000 SQUARE FEET;

15           (2) \$10,000 FOR A LOCATION UP TO 15,000 SQUARE FEET;

16           (3) \$20,000 FOR A LOCATION UP TO 20,000 SQUARE FEET; AND

17           (4) \$2,000 FOR A TEMPORARY STRUCTURE.

18          (C) TIME LIMITATIONS AND INSPECTIONS.--

19           (1) A FACILITY MEETING THE REQUIREMENTS OF SECTION 2407  
20          SHALL BE INSPECTED BY THE DEPARTMENT OF AGRICULTURE WITHIN 30  
21          DAYS OF RECEIPT OF A COMPLETE APPLICATION FOR A LICENSE. THE  
22          DEPARTMENT OF AGRICULTURE SHALL ISSUE OR DENY A LICENSE  
23          WITHIN 14 DAYS OF COMPLETING THE INSPECTION.

24           (2) THE DEPARTMENT OF AGRICULTURE SHALL ISSUE OR DENY A  
25          LICENSE FOR A FACILITY MEETING THE REQUIREMENTS OF SECTION  
26          2410 NO LATER THAN 10 DAYS PRIOR TO THE FIRST DAY OF SALE.  
27          THE FACILITY SHALL BE AVAILABLE FOR INSPECTION BY THE  
28          DEPARTMENT OF AGRICULTURE FOR COMPLIANCE WITH NFPA 1124 AT  
29          ALL TIMES DURING THE LICENSED SELLING PERIOD.

30          (D) TERM OF LICENSE.--A LICENSE ISSUED FOR THE SALE OF

1 CONSUMER FIREWORKS SHALL BE EFFECTIVE FOR ONE YEAR FROM THE DATE  
2 THE LICENSE IS ISSUED.

3 (E) LICENSE RENEWAL AND INSPECTIONS.--LICENSE RENEWAL SHALL  
4 BE AUTOMATIC UPON PAYMENT OF THE APPROPRIATE ANNUAL LICENSE FEE  
5 UNDER SUBSECTION (B), BUT EACH FACILITY SHALL BE SUBJECT TO  
6 ANNUAL INSPECTIONS BY THE DEPARTMENT OF AGRICULTURE AND AT OTHER  
7 TIMES AS THE DEPARTMENT MAY DEEM APPROPRIATE.

8 (F) CONDITION.--NO LICENSE MAY BE ISSUED TO A CONVICTED  
9 FELON OR TO AN ENTITY IN WHICH A CONVICTED FELON OWNS A  
10 PERCENTAGE OF THE EQUITY INTEREST.

11 SECTION 2409. CONDITIONS FOR FACILITIES.

12 A FACILITY LICENSED BY THE DEPARTMENT OF AGRICULTURE SHALL BE  
13 EXCLUSIVELY DEDICATED TO THE STORAGE AND SALE OF CONSUMER  
14 FIREWORKS AND RELATED ITEMS, AND THE FACILITY SHALL OPERATE IN  
15 ACCORDANCE WITH THE FOLLOWING RULES:

16 (1) THERE SHALL BE SECURITY PERSONNEL ON THE PREMISES  
17 FOR THE SEVEN DAYS PRECEDING AND INCLUDING JULY 4 AND FOR THE  
18 THREE DAYS PRECEDING AND INCLUDING JANUARY 2.

19 (2) NO SMOKING SHALL BE PERMITTED IN THE FACILITY.

20 (3) NO CIGARETTES OR TOBACCO PRODUCTS, MATCHES, LIGHTERS  
21 OR ANY OTHER FLAME-PRODUCING DEVICES SHALL BE PERMITTED TO BE  
22 TAKEN INTO THE FACILITY.

23 (4) NO MINORS SHALL BE PERMITTED IN THE FACILITY UNLESS  
24 ACCOMPANIED BY AN ADULT, AND EACH MINOR SHALL STAY WITH THE  
25 ADULT IN THE FACILITY.

26 (5) ALL FACILITIES SHALL CARRY AT LEAST \$2,000,000 IN  
27 PUBLIC AND PRODUCT LIABILITY INSURANCE.

28 (6) A LICENSEE SHALL PROVIDE ITS EMPLOYEES WITH  
29 DOCUMENTED TRAINING IN THE AREA OF OPERATIONAL SAFETY OF A  
30 FACILITY. THE LICENSEE SHALL PROVIDE TO THE DEPARTMENT OF

1 AGRICULTURE WRITTEN DOCUMENTATION THAT EACH EMPLOYEE HAS  
2 RECEIVED THE TRAINING.

3 (7) NO DISPLAY FIREWORKS SHALL BE STORED OR LOCATED AT A  
4 FACILITY.

5 (8) NO PERSON WHO APPEARS TO BE UNDER THE INFLUENCE OF  
6 INTOXICATING LIQUOR OR DRUGS SHALL BE ADMITTED TO THE  
7 FACILITY, AND NO LIQUOR, BEER OR WINE SHALL BE PERMITTED IN  
8 THE FACILITY.

9 (9) EMERGENCY EVACUATION PLANS SHALL BE CONSPICUOUSLY  
10 POSTED IN APPROPRIATE LOCATIONS WITHIN THE FACILITY.

11 SECTION 2410. TEMPORARY STRUCTURES.

12 (A) CONDITIONS.--NOTWITHSTANDING SECTION 2607 OR ANY OTHER  
13 PROVISION OF LAW, A TEMPORARY STRUCTURE MAY BE LICENSED BY THE  
14 DEPARTMENT OF AGRICULTURE TO SELL CONSUMER FIREWORKS IF THE  
15 TEMPORARY STRUCTURE MEETS ALL OF THE FOLLOWING REQUIREMENTS:

16 (1) THE TEMPORARY STRUCTURE IS LOCATED NO CLOSER THAN  
17 250 FEET FROM A FACILITY STORING, SELLING OR DISPENSING  
18 GASOLINE, PROPANE OR OTHER FLAMMABLE PRODUCTS.

19 (2) AN EVACUATION PLAN IS POSTED IN A CONSPICUOUS  
20 LOCATION FOR A TEMPORARY STRUCTURE IN ACCORDANCE WITH NFPA  
21 1124.

22 (3) THE OUTDOOR STORAGE UNIT, IF ANY, IS SEPARATED FROM  
23 THE WHOLESALE OR RETAIL SALES AREA TO WHICH A PURCHASER MAY  
24 BE ADMITTED BY APPROPRIATELY RATED FIRE SEPARATION.

25 (4) THE TEMPORARY STRUCTURE COMPLIES WITH NFPA 1124 AS  
26 IT RELATES TO RETAIL SALES OF CONSUMER FIREWORKS IN TEMPORARY  
27 STRUCTURES.

28 (5) THE TEMPORARY STRUCTURE IS LOCATED AT LEAST ONE MILE  
29 FROM A PERMANENT FACILITY LICENSED TO SELL CONSUMER  
30 FIREWORKS.

1           (6) THE TEMPORARY STRUCTURE DOES NOT EXCEED 2,500 SQUARE  
2           FEET.

3           (7) THE TEMPORARY STRUCTURE IS SECURED AT ALL TIMES  
4           DURING WHICH CONSUMER FIREWORKS ARE DISPLAYED WITHIN THE  
5           STRUCTURE.

6           (8) THE TEMPORARY STRUCTURE HAS A MINIMUM OF \$2,000,000  
7           IN PUBLIC AND PRODUCT LIABILITY INSURANCE.

8           (9) THE SALES PERIOD IS LIMITED TO JUNE 15 THROUGH JULY  
9           8 AND DECEMBER 21 THROUGH JANUARY 2 OF EACH YEAR.

10           (10) CONSUMER FIREWORKS NOT ON DISPLAY FOR RETAIL SALE  
11           ARE STORED IN AN OUTDOOR STORAGE UNIT.

12           (B) LIMITATIONS.--THE SALE OF CONSUMER FIREWORKS FROM THE  
13           TEMPORARY STRUCTURE IS LIMITED TO THE FOLLOWING:

14           (1) HELICOPTER, AERIAL SPINNER (APA 87-1, 3.1.2.3).

15           (2) ROMAN CANDLE (APA 87-1, 3.1.2.4).

16           (3) MINE AND SHELL DEVICES (APA 87-1, 3.1.2.5).

17           SECTION 2411. ATTORNEY GENERAL.

18           (A) REGISTRATION.--ANY BUSINESS ENTITY WHICH PERFORMS,  
19           PROVIDES OR SUPERVISES FIREWORKS DISPLAYS OR EXHIBITIONS FOR  
20           PROFIT SHALL REGISTER ANNUALLY WITH THE ATTORNEY GENERAL.

21           (B) RULES.--THE ATTORNEY GENERAL SHALL PROMULGATE RULES TO  
22           IMPLEMENT THIS SECTION.

23           SECTION 2412. CONSUMER FIREWORKS TAX.

24           (A) IMPOSITION.--IN ADDITION TO ANY OTHER TAX IMPOSED BY  
25           LAW, A TAX IS IMPOSED ON EACH SEPARATE SALE AT RETAIL OF  
26           CONSUMER FIREWORKS, WHICH TAX SHALL BE COLLECTED BY THE RETAILER  
27           FROM THE PURCHASER AT THE TIME OF SALE AND SHALL BE PAID OVER TO  
28           THE COMMONWEALTH AS PROVIDED IN THIS SECTION. A TAX IMPOSED  
29           UNDER THIS SUBSECTION ON EACH SEPARATE SALE AT RETAIL SHALL BE  
30           PAID TO AND RECEIVED BY THE DEPARTMENT OF REVENUE AND, ALONG

1 WITH INTEREST AND PENALTIES, SHALL BE DEPOSITED INTO THE GENERAL  
2 FUND.

3 (B) RATE.--THE TAX AUTHORIZED UNDER SUBSECTION (A) SHALL BE  
4 IMPOSED AND COLLECTED AT THE RATE OF 12% OF THE PURCHASE PRICE  
5 PER ITEM SOLD. THE PURCHASE PRICE SHALL INCLUDE STATE AND LOCAL  
6 SALES TAXES.

7 (C) COLLECTION AND ADMINISTRATION.--THE PROVISIONS OF PART  
8 VI OF ARTICLE II SHALL APPLY TO THE TAX AUTHORIZED UNDER  
9 SUBSECTION (A). NO ADDITIONAL FEE SHALL BE CHARGED FOR A LICENSE  
10 OR LICENSE RENEWAL OTHER THAN THE LICENSE OR RENEWAL FEE  
11 REQUIRED UNDER SECTION 2408 AND THE LICENSE OR RENEWAL FEE  
12 AUTHORIZED AND IMPOSED UNDER ARTICLE II.

13 SECTION 2413. DISPOSITION OF CERTAIN FUNDS.

14 (A) TRANSFER.--ONE-SIXTH OF THE TAX COLLECTED UNDER THIS  
15 ARTICLE, NOT TO EXCEED \$2,000,000, SHALL BE TRANSFERRED ANNUALLY  
16 FOR THE PURPOSE OF MAKING GRANTS UNDER 35 PA.C.S. CH. 78 SUBCH.  
17 C (RELATING TO EMERGENCY MEDICAL SERVICES GRANT PROGRAM).

18 (B) PAYMENTS.--THE TRANSFER REQUIRED UNDER SUBSECTION (A)  
19 SHALL BE MADE IN TWO EQUAL PAYMENTS BY SEPTEMBER 15 AND MARCH  
20 15.

21 SECTION 2414. PENALTIES.

22 THE FOLLOWING SHALL APPLY:

23 (1) A PERSON, A COPARTNERSHIP, AN ASSOCIATION OR A  
24 CORPORATION USING CONSUMER FIREWORKS IN VIOLATION OF THE  
25 PROVISIONS OF THIS ARTICLE COMMITS A SUMMARY OFFENSE AND,  
26 UPON CONVICTION, SHALL BE PUNISHED BY A FINE OF NOT MORE THAN  
27 \$100.

28 (2) A PERSON, A COPARTNERSHIP, AN ASSOCIATION OR A  
29 CORPORATION SELLING CONSUMER FIREWORKS IN VIOLATION OF THE  
30 PROVISIONS OF THIS ACT COMMITS A MISDEMEANOR OF THE SECOND

1 DEGREE.

2 (3) A PERSON, A COPARTNERSHIP, AN ASSOCIATION OR A  
3 CORPORATION SELLING DISPLAY FIREWORKS IN VIOLATION OF THE  
4 PROVISIONS OF THIS ACT COMMITS A FELONY OF THE THIRD DEGREE.

5 (4) A PERSON, A COPARTNERSHIP, AN ASSOCIATION OR A  
6 CORPORATION SELLING FEDERALLY ILLEGAL EXPLOSIVES SUCH AS  
7 DEVICES AS DESCRIBED IN 49 CFR 173.54 (RELATING TO FORBIDDEN  
8 EXPLOSIVES) OR THOSE DEVICES THAT HAVE NOT BEEN TESTED,  
9 APPROVED AND LABELED BY THE UNITED STATES DEPARTMENT OF  
10 TRANSPORTATION, INCLUDING, BUT NOT LIMITED TO, THOSE DEVICES  
11 COMMONLY REFERRED TO AS "M-80," "M-100," "BLOCKBUSTER,"  
12 "CHERRY BOMB" OR "QUARTER OR HALF STICK" EXPLOSIVE DEVICES,  
13 IN VIOLATION OF THE PROVISIONS OF THIS ACT COMMITS A FELONY  
14 OF THE THIRD DEGREE.

15 SECTION 2415. REMOVAL, STORAGE AND DESTRUCTION.

16 THE PENNSYLVANIA STATE POLICE, A SHERIFF OR POLICE OFFICER  
17 SHALL TAKE, REMOVE OR CAUSE TO BE REMOVED AT THE EXPENSE OF THE  
18 OWNER ALL STOCKS OF CONSUMER FIREWORKS OR DISPLAY FIREWORKS OR  
19 COMBUSTIBLES OFFERED OR EXPOSED FOR SALE, STORED OR HELD IN  
20 VIOLATION OF THIS ARTICLE. THE OWNER SHALL ALSO BE RESPONSIBLE  
21 FOR THE STORAGE AND, IF DEEMED NECESSARY, THE DESTRUCTION OF  
22 THESE FIREWORKS.

23 ARTICLE XXIV-A

24 UNCONVENTIONAL GAS WELLS

25 SECTION 2401-A. DEFINITIONS.

26 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE  
27 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
28 CONTEXT CLEARLY INDICATES OTHERWISE:

29 "AVERAGE ANNUAL PRICE OF NATURAL GAS." AS DEFINED IN 58  
30 PA.C.S. § 2301 (RELATING TO DEFINITIONS).

1 "COMMISSION." THE PENNSYLVANIA PUBLIC UTILITY COMMISSION.

2 "DEPARTMENT." THE DEPARTMENT OF ENVIRONMENTAL PROTECTION OF  
3 THE COMMONWEALTH.

4 "METER." A DEVICE TO MEASURE THE PASSAGE OF VOLUMES OF GASES  
5 OR LIQUIDS PAST A CERTAIN POINT.

6 "NATURAL GAS." AS DEFINED IN 58 PA.C.S. § 2301.

7 "PRODUCER." AS DEFINED IN 58 PA.C.S. § 2301.

8 "SEVER." THE EXTRACTION OR OTHER REMOVAL OF NATURAL GAS FROM  
9 AN UNCONVENTIONAL FORMATION IN THIS COMMONWEALTH. THE TERM DOES  
10 NOT INCLUDE NATURAL GAS, IN GASEOUS OR LIQUID FORM, WHICH IS  
11 BURNED, USED, CONSUMED OR OTHERWISE EMPLOYED IN OIL AND GAS  
12 OPERATIONS AT A NATURAL GAS WELL SITE:

13 (1) FOR SECONDARY RECOVERY;

14 (2) FOR RE-PRESSURING;

15 (3) FOR PRESSURE MAINTENANCE; OR

16 (4) AS FUEL FOR EQUIPMENT.

17 "TRIGGER DATE." THE DATE 60 DAYS AFTER THE EFFECTIVE DATE OF  
18 THIS SECTION.

19 "UNCONVENTIONAL FORMATION." AS DEFINED IN 58 PA.C.S. § 2301.

20 "UNCONVENTIONAL GAS WELL." AS DEFINED IN 58 PA.C.S. § 2301.

21 "UNIT." A THOUSAND CUBIC FEET (MCF) OF NATURAL GAS AT A  
22 TEMPERATURE OF 60 DEGREES FAHRENHEIT AND AN ABSOLUTE PRESSURE OF  
23 14.73 POUNDS PER SQUARE INCH, IN ACCORDANCE WITH AMERICAN GAS  
24 ASSOCIATION (AGA) STANDARDS AND ACCORDING TO BOYLE'S LAW FOR THE  
25 MEASUREMENT OF GAS UNDER VARYING PRESSURES WITH DEVIATIONS  
26 THEREFROM AS FOLLOWS:

27 (1) THE AVERAGE ABSOLUTE ATMOSPHERIC PRESSURE SHALL BE  
28 ASSUMED TO BE 14.4 POUNDS TO THE SQUARE INCH, NOTWITHSTANDING  
29 THE ACTUAL ELEVATION OR LOCATION OF POINT OF DELIVERY ABOVE  
30 SEA LEVEL OR VARIATIONS IN THE ATMOSPHERIC PRESSURE.

1           (2) THE TEMPERATURE OF THE GAS PASSING THE METERS SHALL  
2 BE DETERMINED BY THE CONTINUOUS USE OF A RECORDING  
3 THERMOMETER INSTALLED SO THAT THE THERMOMETER MAY PROPERLY  
4 RECORD THE TEMPERATURE OF THE GAS FLOWING THROUGH THE METERS.  
5 THE ARITHMETIC AVERAGE OF THE TEMPERATURE RECORDED EACH 24-  
6 HOOR DAY SHALL BE USED IN COMPUTING GAS VOLUMES. IF A  
7 RECORDING THERMOMETER IS NOT INSTALLED, OR IF INSTALLED AND  
8 NOT OPERATING PROPERLY, AN AVERAGE FLOWING TEMPERATURE OF 60  
9 DEGREES FAHRENHEIT SHALL BE USED IN COMPUTING GAS VOLUME.

10           (3) THE SPECIFIC GRAVITY OF THE GAS SHALL BE DETERMINED  
11 BY TESTS MADE BY THE USE OF AN EDWARDS OR ACME GRAVITY  
12 BALANCE ANNUALLY OR AT INTERVALS AS ARE FOUND NECESSARY IN  
13 PRACTICE. SPECIFIC GRAVITY SHALL BE USED IN COMPUTING GAS  
14 VOLUMES.

15           (4) THE DEVIATION OF THE NATURAL GAS FROM BOYLE'S LAW  
16 SHALL BE DETERMINED BY TESTS ANNUALLY OR AT OTHER SHORTER  
17 INTERVALS AS ARE FOUND NECESSARY IN PRACTICE. THE APPARATUS  
18 AND THE METHOD TO BE USED IN MAKING THE TESTS SHALL BE IN  
19 ACCORDANCE WITH RECOMMENDATIONS OF THE NATIONAL BUREAU OF  
20 STANDARDS OF THE DEPARTMENT OF COMMERCE OR REPORT NO. 3 OF  
21 THE GAS MEASUREMENT COMMITTEE OF THE AMERICAN GAS  
22 ASSOCIATION, OR ANY AMENDMENTS THEREOF. THE RESULTS OF THE  
23 TESTS SHALL BE USED IN COMPUTING THE VOLUME OF GAS DELIVERED.  
24 "WELLHEAD METER." A METER PLACED AT A PRODUCING SITE TO  
25 MEASURE THE ACTUAL VOLUME OF NATURAL GAS SEVERED.

26 SECTION 2402-A. VOLUME DIFFERENTIAL TAX.

27 (A) IMPOSITION.--EACH PRODUCER SUBJECT TO THE UNCONVENTIONAL  
28 GAS WELL FEE IMPOSED UNDER 58 PA.C.S. § 2302 (RELATING TO  
29 UNCONVENTIONAL GAS WELL FEE) SHALL PAY A VOLUME DIFFERENTIAL  
30 TAX.

1 (B) COMPUTATION.--THE VOLUME DIFFERENTIAL TAX FOR EACH  
2 UNCONVENTIONAL GAS WELL SHALL BE CALCULATED BY APPLYING THE  
3 APPLICABLE RATE UNDER SUBSECTION (B.1) TO NATURAL GAS SEVERED  
4 FROM THE UNCONVENTIONAL GAS WELL DURING THE IMPOSITION PERIOD  
5 UNDER SUBSECTION (B.2).

6 (B.1) TAX RATE.--THE TAX RATE SHALL BE AS FOLLOWS:

7 (1) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS FOR THE  
8 CALENDAR YEAR IMMEDIATELY PRECEDING THE START OF THE  
9 IMPOSITION PERIOD IS NOT MORE THAN \$2.25, THE SURCHARGE RATE  
10 SHALL BE \$0.015 PER UNIT SEVERED.

11 (2) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS FOR THE  
12 CALENDAR YEAR IMMEDIATELY PRECEDING THE START OF THE  
13 IMPOSITION PERIOD IS GREATER THAN \$2.25 AND LESS THAN \$3.00,  
14 THE TAX RATE SHALL BE \$0.02 PER UNIT SEVERED.

15 (3) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS FOR THE  
16 CALENDAR YEAR IMMEDIATELY PRECEDING THE START OF THE  
17 IMPOSITION PERIOD IS GREATER THAN \$2.99 AND LESS THAN \$5.00,  
18 THE TAX RATE SHALL BE \$0.025 PER UNIT SEVERED.

19 (4) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS FOR THE  
20 CALENDAR YEAR IMMEDIATELY PRECEDING THE START OF THE  
21 IMPOSITION PERIOD IS GREATER THAN \$4.99 AND LESS THAN \$6.00,  
22 THE TAX RATE SHALL BE \$0.03 PER UNIT SEVERED.

23 (5) IF THE AVERAGE ANNUAL PRICE OF NATURAL GAS FOR THE  
24 CALENDAR YEAR IMMEDIATELY PRECEDING THE START OF THE  
25 IMPOSITION PERIOD IS MORE THAN \$5.99, THE TAX RATE SHALL BE  
26 \$0.035 PER UNIT SEVERED.

27 (B.2) IMPOSITION PERIOD.--THE IMPOSITION PERIOD SHALL BE AS  
28 FOLLOWS:

29 (1) FOR FISCAL YEAR 2017-2018, THE IMPOSITION PERIOD  
30 SHALL BE FROM JULY 1, 2017, TO APRIL 30, 2018.

1           (2) FOR FISCAL YEAR 2018-2019, AND EACH FISCAL YEAR  
2           THEREAFTER, THE IMPOSITION PERIOD SHALL BE FROM MAY 1 OF THE  
3           PRECEDING FISCAL YEAR TO APRIL 30 OF THE CURRENT FISCAL YEAR.

4           (B.3) PAYMENT.--THE VOLUME DIFFERENTIAL TAX IMPOSED UNDER  
5           THIS ARTICLE SHALL BE DUE ON THE SAME DAY THE REPORT IS DUE  
6           UNDER SUBSECTION (B.4). THE TAX SHALL BECOME DELINQUENT IF NOT  
7           REMITTED TO THE COMMISSION ON THE REPORTING DATE.

8           (B.4) REPORT.--BY JUNE 15, 2018, AND JUNE 15 OF EACH YEAR  
9           THEREAFTER, EVERY PRODUCER SHALL SUBMIT PAYMENT OF THE VOLUME  
10           DIFFERENTIAL TAX TO THE COMMISSION AND A REPORT ON A FORM  
11           PRESCRIBED BY THE COMMISSION FOR THE IMPOSITION PERIOD.

12           (C) VOLUME MEASUREMENT.--

13           (1) EXCEPT AS PROVIDED UNDER PARAGRAPH (2), FOR PURPOSES  
14           OF COMPUTING THE VOLUME DIFFERENTIAL TAX, NATURAL GAS SEVERED  
15           SHALL BE MEASURED AT THE WELLHEAD METER.

16           (2) NATURAL GAS SEVERED PRIOR TO THE TRIGGER DATE SHALL  
17           BE MEASURED ACCORDING TO THE STANDARDS AND METHODS USED FOR  
18           REPORTING NATURAL GAS PRODUCTION TO THE DEPARTMENT.

19           (D) ADMINISTRATION.--THE VOLUME DIFFERENTIAL TAX SHALL BE  
20           ADMINISTERED AND ENFORCED IN THE SAME MANNER AS THE  
21           UNCONVENTIONAL GAS WELL FEE UNDER 58 PA.C.S. CH. 23 (RELATING TO  
22           UNCONVENTIONAL GAS WELL FEE).

23           (E) USE OF FUNDS.--MONEY COLLECTED FROM THE VOLUME  
24           DIFFERENTIAL TAX UNDER THIS SECTION SHALL BE TRANSFERRED TO THE  
25           STATE TREASURER FOR ALLOCATION ANNUALLY AS FOLLOWS:

26           (1) IF THE TOTAL AMOUNT OF THE FEES SUBMITTED BY APRIL 1  
27           OF EACH YEAR UNDER 58 PA.C.S. § 2303(B) (RELATING TO  
28           ADMINISTRATION) IS LESS THAN \$200,000,000, AN AMOUNT EQUAL TO  
29           THE DIFFERENCE BETWEEN \$200,000,000 AND THAT TOTAL AMOUNT  
30           SHALL BE DEPOSITED INTO THE UNCONVENTIONAL GAS WELL FUND AND

1 SHALL BE DISTRIBUTED AS PROVIDED UNDER 58 PA.C.S. §§ 2314  
2 (RELATING TO DISTRIBUTION OF FEE) AND 2315 (RELATING TO  
3 STATEWIDE INITIATIVES).

4 (2) AFTER DEPOSIT UNDER PARAGRAPH (1), REMAINING MONEY  
5 SHALL BE DEPOSITED INTO THE GENERAL FUND.

6 (F) INDEPENDENT FISCAL OFFICE.--BEGINNING SEPTEMBER 30,  
7 2018, AND QUARTERLY THEREAFTER, THE INDEPENDENT FISCAL OFFICE  
8 SHALL PUBLISH A REPORT ON ITS PUBLICLY ACCESSIBLE INTERNET  
9 WEBSITE THAT SHOWS THE CALCULATION OF AN AVERAGE EFFECTIVE TAX  
10 RATE OF THE VOLUME DIFFERENTIAL TAX IMPOSED UNDER THIS ARTICLE  
11 AND THE UNCONVENTIONAL GAS WELL FEE IMPOSED UNDER 58 PA.C.S. CH.  
12 23, IMPOSED FOR THE PRECEDING IMPOSITION PERIOD. THE AVERAGE  
13 EFFECTIVE TAX RATE SHALL QUANTIFY THE IMPLICIT TAX BURDEN  
14 IMPOSED ON A PRODUCER BY BOTH THE VOLUME DIFFERENTIAL TAX AND  
15 THE UNCONVENTIONAL GAS WELL FEE IN A GIVEN YEAR. THE AVERAGE  
16 EFFECTIVE TAX RATE SHALL BE BASED UPON THE MARKET VALUE OF  
17 NATURAL GAS AT THE WELLHEAD USING REGIONAL PRICE INFORMATION  
18 FROM HUBS LOCATED IN THIS COMMONWEALTH AND POSTPRODUCTION COSTS  
19 SHALL BE DEDUCTED TO APPROXIMATE THE VALUE OF NATURAL GAS AT THE  
20 WELLHEAD. THE REPORT SHALL INCLUDE THE METHODOLOGY USED TO  
21 CALCULATE THE AVERAGE EFFECTIVE TAX RATE.

22 SECTION 2403-A. ISSUANCE OF PERMIT.

23 (A) OPERATIONS.--NOTWITHSTANDING ANY OTHER PROVISION OF LAW,  
24 A PERMIT APPLICATION TO UNDERTAKE AN ACTIVITY RELATED TO  
25 UNCONVENTIONAL OIL AND GAS DEVELOPMENT WHICH HAS NOT BEEN DENIED  
26 BY THE DEPARTMENT WITHIN THE APPLICABLE TIME PERIOD ESTABLISHED  
27 FOR REVIEW SHALL BE DEEMED APPROVED. IF THE REVIEW PERIOD FOR  
28 THE PERMIT HAS BEEN EXTENDED FOR CAUSE, THE DEPARTMENT SHALL  
29 PROVIDE A REFUND OF THE FEE TO THE APPLICANT. IF THE DEPARTMENT  
30 HAS NOTIFIED THE PERSON OF DEFICIENCIES WITH THE APPLICATION,

1 THE PERIOD OF TIME FROM THE DATE OF THE RECEIPT OF THE  
2 DEFICIENCIES TO THE DATE OF THE RECEIPT OF THE PERSON'S RESPONSE  
3 SHALL TOLL THE APPLICABLE TIME PERIOD ESTABLISHED FOR REVIEW.  
4 ONLY TWO TOLLING PERIODS SHALL BE AUTHORIZED.

5 (B) CONSTRUCTION.--NOTHING UNDER THIS SECTION SHALL BE  
6 CONSTRUED TO RELIEVE A PERSON WHO COMMENCES ACTIVITY UNDER THIS  
7 SECTION FROM COMPLYING WITH EACH LAW PERTAINING TO THE ACTIVITY  
8 FOR WHICH THE PERMIT IS SOUGHT.

9 (C) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING  
10 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS  
11 SUBSECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

12 "APPLICABLE TIME PERIOD ESTABLISHED FOR REVIEW." AS FOLLOWS:

13 (1) FOR A WELL PERMIT REQUIRED UNDER 58 PA.C.S. §  
14 3211(E) (RELATING TO WELL PERMITS), WITHIN:

15 (I) FORTY-FIVE CALENDAR DAYS OF SUBMISSION; OR

16 (II) SIXTY CALENDAR DAYS OF SUBMISSION IF THE REVIEW  
17 PERIOD HAS BEEN EXTENDED FOR CAUSE.

18 (2) FOR A GENERAL AIR QUALITY PERMIT, WITHIN 30 CALENDAR  
19 DAYS OF SUBMISSION.

20 (3) FOR AN EARTH DISTURBANCE PERMIT AS REQUIRED UNDER 25  
21 PA. CODE § 102.5 (RELATING TO PERMIT REQUIREMENTS), WITHIN:

22 (I) FIFTY-THREE BUSINESS DAYS OF SUBMISSION; OR

23 (II) TWENTY-FOUR BUSINESS DAYS OF SUBMISSION FOR AN  
24 EXPEDITED APPLICATION.

25 ARTICLE XXIV-B

26 UNCONVENTIONAL NATURAL GAS AIR QUALITY PROTECTION  
27 SECTION 2401-B. DEFINITIONS.

28 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE  
29 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
30 CONTEXT CLEARLY INDICATES OTHERWISE:

1 "DEPARTMENT." THE DEPARTMENT OF ENVIRONMENTAL PROTECTION OF  
2 THE COMMONWEALTH.

3 "TEMPORARY ACTIVITY." WELL SITE AND ACCESS ROAD PREPARATION,  
4 PAD CONSTRUCTION, DRILLING AND WELL COMPLETION.  
5 SECTION 2402-B. AIR QUALITY PERMITS FOR UNCONVENTIONAL NATURAL  
6 GAS WELL SITES.

7 (A) PUBLICATION.--NOT EARLIER THAN DECEMBER 31, 2017, THE  
8 DEPARTMENT SHALL SUBMIT TO THE LEGISLATIVE REFERENCE BUREAU FOR  
9 PUBLICATION IN THE PENNSYLVANIA BULLETIN EACH PROPOSED FINAL  
10 GENERAL PLAN APPROVAL AND/OR GENERAL OPERATING PERMIT FOR  
11 UNCONVENTIONAL NATURAL GAS WELL SITE OPERATIONS AND REMOTE  
12 PIGGING STATIONS AND EACH GENERAL PLAN APPROVAL AND/OR GENERAL  
13 OPERATING PERMIT FOR NATURAL GAS COMPRESSION STATIONS,  
14 PROCESSING PLANTS AND TRANSMISSION STATIONS MODIFIED AS A RESULT  
15 OF THE "EXTENSION OF THE COMMENT PERIOD" SET FORTH AT 47 PA.B.  
16 1235 (FEBRUARY 25, 2017) OR AS A RESULT OF A SUBSEQUENT  
17 EXTENSION PERIOD.

18 (B) CONSIDERATION.--WITHIN 14 LEGISLATIVE DAYS FOLLOWING  
19 PUBLICATION OF THE PROPOSED FINAL PERMITS UNDER SUBSECTION (A),  
20 THE AIR QUALITY PERMIT ADVISORY COMMITTEE SHALL CONSIDER EACH  
21 PERMIT AND SHALL VOTE WHETHER TO APPROVE OR REJECT THE PROPOSED  
22 PERMIT. THE FOLLOWING SHALL APPLY:

23 (1) IF A MAJORITY OF THE AIR QUALITY PERMIT ADVISORY  
24 COMMITTEE VOTES TO DISAPPROVE A PROPOSED FINAL PERMIT, THE  
25 DEPARTMENT SHALL REVISE THAT PROPOSED FINAL PERMIT AND DO THE  
26 FOLLOWING:

27 (I) REVIEW AND CONSIDER THE REASONS FOR DISAPPROVAL  
28 AND MODIFY THE PROPOSED FINAL PERMIT; AND

29 (II) RESUBMIT THE NEW VERSION OF THE PROPOSED FINAL  
30 PERMIT TO THE AIR QUALITY PERMIT ADVISORY COMMITTEE

1           WITHIN 14 LEGISLATIVE DAYS.

2           (2) IF A MAJORITY OF THE AIR QUALITY PERMIT ADVISORY  
3 COMMITTEE VOTES TO APPROVE A PROPOSED FINAL PERMIT, THE  
4 FOLLOWING SHALL APPLY:

5           (I) THE DEPARTMENT SHALL SUBMIT THE APPROVED PERMIT  
6 TO THE LEGISLATIVE REFERENCE BUREAU FOR PUBLICATION IN  
7 THE PENNSYLVANIA BULLETIN.

8           (II) THE PERMIT SHALL TAKE EFFECT UPON PUBLICATION  
9 IN THE PENNSYLVANIA BULLETIN.

10          (C) APPLICABILITY.--THE REQUIREMENTS OF A GENERAL PLAN  
11 APPROVAL AND GENERAL OPERATING PERMIT FOR UNCONVENTIONAL NATURAL  
12 GAS WELL SITE OPERATIONS AND REMOTE PIGGING STATIONS SHALL NOT  
13 APPLY TO ANY OF THE FOLLOWING:

14           (1) A NATURAL GAS WELL SITE WHICH:

15           (I) COMMENCED PRODUCTION PRIOR TO THE DATE OF  
16 PUBLICATION UNDER SUBSECTION (B) (2) (II); AND

17           (II) CONTINUES TO MEET THE REQUIREMENTS TO RETAIN  
18 THAT EXEMPTION.

19           (2) TEMPORARY ACTIVITY.

20 SECTION 2403-B. AIR QUALITY PERMIT ADVISORY COMMITTEE.

21          (A) ESTABLISHMENT.--THE AIR QUALITY PERMIT ADVISORY  
22 COMMITTEE IS ESTABLISHED.

23          (B) COMPOSITION.--THE AIR QUALITY PERMIT ADVISORY COMMITTEE  
24 SHALL CONSIST OF THE FOLLOWING:

25           (1) ONE MEMBER APPOINTED BY THE GOVERNOR.

26           (2) THE FOLLOWING MEMBERS OF THE SENATE:

27           (I) ONE MEMBER APPOINTED BY THE PRESIDENT PRO  
28 TEMPORE OF THE SENATE.

29           (II) ONE MEMBER APPOINTED BY THE MAJORITY LEADER OF  
30 THE SENATE.



1 NOT INCLUDE A CERTIFICATION OR LICENSE.

2 "PERMIT APPLICATION." THE DOCUMENT SUBMITTED TO THE  
3 DEPARTMENT BY AN APPLICANT THAT, IF APPROVED, GRANTS A PERMIT TO  
4 AN APPLICANT.

5 "PERMIT DECISION." THE ISSUANCE OR DENIAL OF A PERMIT.

6 "PERMIT DECISION DELAY." THE FAILURE OF THE DEPARTMENT TO  
7 ISSUE A PERMIT DECISION WITHIN:

8 (1) THE TIME PERIOD SPECIFIED BY STATUTE OR REGULATION  
9 OR BY THE RELEVANT TIME PERIOD ESTABLISHED UNDER 4 PA. CODE  
10 CH. 7A SUBCH. H (RELATING TO PERMIT DECISION GUARANTEE FOR  
11 THE DEPARTMENT OF ENVIRONMENTAL PROTECTION); OR

12 (2) 30 DAYS AFTER THE SUBMISSION OF A PERMIT APPLICATION  
13 OR REQUEST FOR PLAN APPROVAL OR OTHER AUTHORIZATION WHEN NO  
14 TIME PERIOD IS SPECIFIED BY STATUTE, REGULATION OR 4 PA. CODE  
15 CH. 7A SUBCH. H.

16 "PERMIT PROGRAM." THE OPERATION AND MANAGEMENT OF PERMITS  
17 IDENTIFIED WHICH ARE SUBJECT TO PERMIT DECISION DELAY.

18 SECTION 2402-C. INITIAL REVIEW BY DEPARTMENT.

19 WITHIN 30 DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION, THE  
20 DEPARTMENT SHALL REVIEW ALL PERMIT DECISIONS AND PERMIT DECISION  
21 DELAYS DURING THE IMMEDIATELY PRIOR CALENDAR YEAR AND SUBMIT A  
22 REPORT OF FINDINGS TO THE CHAIRPERSON AND MINORITY CHAIRPERSON  
23 OF THE ENVIRONMENTAL RESOURCES AND ENERGY COMMITTEE OF THE  
24 SENATE AND THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE  
25 ENVIRONMENTAL RESOURCES AND ENERGY COMMITTEE OF THE HOUSE OF  
26 REPRESENTATIVES.

27 SECTION 2403-C. THIRD-PARTY REVIEW UNDER PERMIT PROGRAM.

28 (A) ESTABLISHMENT AND ADMINISTRATION OF PERMIT PROGRAM.--  
29 WITHIN ONE YEAR OF THE ISSUANCE OF THE INITIAL REPORT UNDER  
30 SECTION 2402-C, THE DEPARTMENT SHALL ESTABLISH AND IMPLEMENT A

1 PERMIT PROGRAM. THE DEPARTMENT SHALL CONTRACT WITH THIRD-PARTY  
2 LICENSED PROFESSIONALS FOR THE PURPOSE OF ADMINISTERING THE  
3 PERMIT PROGRAM.

4 (B) TRANSFER OF INFORMATION.--WITHIN ONE YEAR AFTER THE  
5 ESTABLISHMENT OF THE PERMIT PROGRAM UNDER SUBSECTION (A), THE  
6 DEPARTMENT SHALL TRANSFER INFORMATION REGARDING PERMIT DECISIONS  
7 AND PERMIT DECISION DELAYS TO THE THIRD-PARTY LICENSED  
8 PROFESSIONALS WITH WHOM THE DEPARTMENT HAS CONTRACTED.

9 (C) FEES.--FEES COLLECTED BY THE DEPARTMENT FROM PERMIT  
10 APPLICATIONS IN THE PERMIT PROGRAM SHALL BE REMITTED TO THE  
11 RESPECTIVE THIRD-PARTY LICENSED PROFESSIONALS WITH WHOM THE  
12 DEPARTMENT HAS CONTRACTED FOR THE PERMIT PROGRAM.

13 (D) AGENT OF COMMONWEALTH.--A THIRD-PARTY LICENSED  
14 PROFESSIONAL WITH WHOM THE DEPARTMENT HAS CONTRACTED FOR THE  
15 PERMIT PROGRAM SHALL BE DULY RECOGNIZED AS AN AGENT OF THE  
16 COMMONWEALTH FOR THE PERMIT PROGRAM TO RESOLVE EACH PERMIT  
17 APPLICATION WHICH IS SUBJECT TO A PERMIT DECISION DELAY AND  
18 PERMIT DECISIONS UNDER SUBSECTION (E).

19 (E) SELECTION.--A PERMIT APPLICANT MAY SELECT A THIRD-PARTY  
20 LICENSED PROFESSIONAL WITH WHOM THE DEPARTMENT HAS CONTRACTED  
21 FOR THE PERMIT PROGRAM TO REVIEW THE PERMIT APPLICATION.

22 SECTION 2404-C. ANNUAL REPORTS.

23 NO LATER THAN JANUARY 31 OF EACH YEAR, THE DEPARTMENT SHALL  
24 SUBMIT TO THE GENERAL ASSEMBLY AN ANNUAL REPORT WHICH, AT A  
25 MINIMUM, SHALL CONTAIN THE FOLLOWING INFORMATION FROM THE  
26 IMMEDIATELY PRIOR CALENDAR YEAR:

27 (1) THE NUMBER OF PERMIT APPLICATIONS RECEIVED.

28 (2) THE NUMBER OF PERMIT APPLICATIONS REVIEWED BY THE  
29 DEPARTMENT AND THIRD-PARTY LICENSED PROFESSIONALS WITH WHOM  
30 THE DEPARTMENT HAS CONTRACTED FOR THE PERMIT PROGRAM.

1           (3) THE AVERAGE TIME FRAME FOR PERMIT DECISIONS BY THE  
2           DEPARTMENT AND THIRD-PARTY LICENSED PROFESSIONALS WITH WHOM  
3           THE DEPARTMENT HAS CONTRACTED FOR THE PERMIT PROGRAM.

4           (4) THE NUMBER AND AVERAGE WORKLOAD OF THIRD-PARTY  
5           LICENSED PROFESSIONALS WITH WHOM THE DEPARTMENT HAS  
6           CONTRACTED FOR THE PERMIT PROGRAM.

7           (5) THE NUMBER AND AVERAGE WORKLOAD OF STAFF MEMBERS  
8           WITHIN THE DEPARTMENT REVIEWING PERMIT APPLICATIONS,  
9           ORGANIZED BY EACH REGIONAL OFFICE OF THE DEPARTMENT.

10 SECTION 2405-C. RULES AND REGULATIONS.

11           THE DEPARTMENT SHALL PROMULGATE RULES AND REGULATIONS  
12 NECESSARY TO IMPLEMENT THE PROVISIONS OF THIS ARTICLE.

13 SECTION 2406-C. APPLICABILITY.

14           THIS ARTICLE SHALL APPLY TO ALL PERMITS REQUIRED TO COMPLY  
15 WITH STATUTES AND REGULATIONS ADMINISTERED BY THE DEPARTMENT.

16 SECTION 2407-C. EFFECT OF ARTICLE.

17           NOTHING IN THIS ARTICLE SHALL BE CONSTRUED TO LIMIT OR  
18 OTHERWISE ALTER THE DEPARTMENT'S AUTHORITY TO REVOKE A PERMIT  
19 FOR FAILURE TO COMPLY WITH THE LAWS OF THIS COMMONWEALTH.

20           SECTION 14. SECTION 2702 (A) AND (A.1) (2) OF THE ACT ARE  
21 AMENDED TO READ:

22 SECTION 2702. PETITION FOR REASSESSMENT.

23           (A) GENERAL RULE.--A TAXPAYER MAY FILE A PETITION FOR  
24 REASSESSMENT WITH THE DEPARTMENT WITHIN [90] 60 DAYS AFTER THE  
25 MAILING DATE OF THE NOTICE OF ASSESSMENT.

26           (A.1) PETITION FOR REVIEW OF TAX ADJUSTMENT NOT RESULTING IN  
27 AN INCREASE IN LIABILITY.--

28           \* \* \*

29           (2) A TAXPAYER MUST FILE A PETITION FOR REVIEW UNDER  
30 THIS SUBSECTION WITHIN [90] 60 DAYS OF THE MAILING DATE OF

1 THE DEPARTMENT'S NOTICE OF ADJUSTMENT. A TAXPAYER'S FAILURE  
2 TO FILE A PETITION UNDER THIS SUBSECTION SHALL NOT PREJUDICE  
3 THE TAXPAYER'S RIGHT TO FILE A PETITION IN A SUBSEQUENT TAX  
4 YEAR.

5 \* \* \*

6 SECTION 15. SECTION 2703(E) AND (F) OF THE ACT ARE AMENDED  
7 AND THE SECTION IS AMENDED BY ADDING A SUBSECTION TO READ:  
8 SECTION 2703. PETITION PROCEDURE.

9 \* \* \*

10 (E) EXCEPTION TO TIME LIMIT FOR DECISION AND ORDER.--IF AT  
11 [THE] ANY TIME [OF THE FILING OF] A PETITION IS UNDER THE  
12 JURISDICTION OF THE DEPARTMENT AND PROCEEDINGS ARE PENDING IN A  
13 COURT OF COMPETENT JURISDICTION WHEREIN ANY CLAIM MADE IN THE  
14 PETITION MAY BE ESTABLISHED, THE DEPARTMENT, UPON THE WRITTEN  
15 REQUEST OF THE PETITIONER OR UNDER THE DEPARTMENT'S INITIATIVE,  
16 MAY DEFER CONSIDERATION OF THE PETITION UNTIL THE EXPIRATION  
17 DATE OF THE APPEAL PERIOD FROM THE FINAL JUDGMENT OF THE COURT  
18 OF HIGHEST JURISDICTION DETERMINING THE QUESTION OR QUESTIONS  
19 INVOLVED IN THE PETITION HAS BEEN DECIDED. IF CONSIDERATION OF  
20 THE PETITION IS DEFERRED, THE DEPARTMENT SHALL ISSUE A DECISION  
21 AND ORDER DISPOSING OF THE PETITION WITHIN SIX MONTHS AFTER THE  
22 FINAL JUDGMENT.

23 (E.1) ADDITIONAL DEFERMENT AUTHORIZED.--IF A MATTER PENDING  
24 BEFORE THE DEPARTMENT WOULD BE MATERIALLY AFFECTED BY AN AUDIT  
25 OR OTHER PROCEEDING BEFORE THE INTERNAL REVENUE SERVICE OR BY AN  
26 AUDIT OR OTHER PROCEEDING CONDUCTED BY THE COMMONWEALTH OR  
27 ANOTHER STATE, THE DEPARTMENT, UPON THE WRITTEN REQUEST OF THE  
28 PETITIONER OR UNDER THE DEPARTMENT'S INITIATIVE, MAY DEFER  
29 CONSIDERATION OF THE PETITION UNTIL SUCH TIME AS THE OTHER AUDIT  
30 OR PROCEEDING IS COMPLETED. IF CONSIDERATION OF THE PETITION IS

1 DEFERRED, THE DEPARTMENT SHALL ISSUE A DECISION AND ORDER  
2 DISPOSING OF THE PETITION WITHIN SIX MONTHS AFTER THE AUDIT OR  
3 OTHER PROCEEDING IS COMPLETED.

4 (F) FAILURE OF DEPARTMENT TO TAKE ACTION.--THE FAILURE OF  
5 THE DEPARTMENT TO DISPOSE OF THE PETITION WITHIN THE TIME PERIOD  
6 PROVIDED FOR BY SUBSECTION (D) [OR], (E) OR (E.1) SHALL ACT AS A  
7 DENIAL OF THE PETITION. NOTICE OF THE DEPARTMENT'S FAILURE TO  
8 TAKE ACTION AND THE DENIAL OF THE PETITION SHALL BE MAILED TO  
9 THE PETITIONER.

10 SECTION 16. SECTION 2704(A), (B), (D.2), (D.3), (D.5),  
11 (D.7), (E), (F) AND (H) OF THE ACT ARE AMENDED AND THE SECTION  
12 IS AMENDED BY ADDING SUBSECTIONS TO READ:

13 SECTION 2704. REVIEW BY BOARD.

14 (A) PETITION FOR REVIEW OF A DECISION AND ORDER.--WITHIN  
15 [90] 60 DAYS AFTER THE MAILING DATE OF THE DEPARTMENT'S NOTICE  
16 OF DECISION AND ORDER ON A PETITION FILED WITH IT, A TAXPAYER  
17 MAY PETITION THE BOARD TO REVIEW THE DECISION AND ORDER OF THE  
18 DEPARTMENT.

19 (B) PETITION FOR REVIEW OF DENIAL BY DEPARTMENT'S FAILURE TO  
20 ACT.--A PETITION FOR REVIEW MAY BE FILED WITH THE BOARD WITHIN  
21 [90] 60 DAYS AFTER THE MAILING DATE OF THE DEPARTMENT'S NOTICE  
22 TO THE PETITIONER OF ITS FAILURE TO DISPOSE OF THE PETITION  
23 WITHIN THE TIME PERIODS PRESCRIBED BY SECTION 2703(D) [OR], (E)  
24 OR (E.1).

25 \* \* \*

26 (D.2) EVIDENCE.--THE PETITIONER AND THE DEPARTMENT SHALL BE  
27 ENTITLED TO PRESENT ORAL AND DOCUMENTARY EVIDENCE IN SUPPORT OF  
28 THEIR POSITIONS. THE PETITIONER AND THE DEPARTMENT WILL BE  
29 PROVIDED THE OPPORTUNITY TO COMMENT UPON ANY SUBMITTED EVIDENCE  
30 AND PROVIDE WRITTEN AND ORAL ARGUMENT TO SUPPORT THEIR

1 POSITIONS. WRITTEN ARGUMENTS AND EVIDENCE SUBMITTED TO THE BOARD  
2 SHALL BE SUBMITTED TO THE OTHER PARTY. IF WRITTEN ARGUMENTS AND  
3 EVIDENCE ARE NOT SUBMITTED TO THE OTHER PARTY, THE BOARD SHALL  
4 NOT TAKE NOTICE OF THE WRITTEN ARGUMENTS OR EVIDENCE.

5 (D.3) EX PARTE COMMUNICATIONS.--THE MEMBERS OR STAFF OF THE  
6 BOARD SHALL NOT PARTICIPATE IN ANY EX PARTE COMMUNICATIONS WITH  
7 THE PETITIONER OR THE DEPARTMENT OR THEIR REPRESENTATIVES  
8 REGARDING THE SPECIFIC PROCEDURE OR MERITS OF ANY TAX APPEAL  
9 PENDING BEFORE THE BOARD UNLESS THE OTHER PARTY AGREES. ANY  
10 INFORMATION OR DOCUMENTATION PROVIDED TO THE MEMBERS OR STAFF OF  
11 THE BOARD BY THE PETITIONER OR THE DEPARTMENT OR THEIR  
12 REPRESENTATIVES IN A COMMUNICATION REGARDING THE SPECIFIC  
13 PROCEDURE OR MERITS OF ANY APPEAL PENDING BEFORE THE BOARD SHALL  
14 ALSO BE PROMPTLY PROVIDED TO THE OTHER PARTY.

15 \* \* \*

16 (D.5) REQUEST FOR HEARING.--UPON WRITTEN REQUEST OF THE  
17 PETITIONER OR THE DEPARTMENT OR WHEN DEEMED NECESSARY BY THE  
18 BOARD, THE BOARD SHALL SCHEDULE A HEARING TO REVIEW A PETITION.  
19 THE PETITIONER AND THE DEPARTMENT SHALL BE NOTIFIED BY THE BOARD  
20 OF THE DATE, TIME AND PLACE WHERE THE HEARING WILL BE HELD. IF  
21 THE PETITIONER OR THE DEPARTMENT REQUESTS A HEARING UNDER THIS  
22 SUBSECTION, THE PETITIONER OR THE DEPARTMENT SHALL PROVIDE  
23 NOTICE TO THE OTHER PARTY AT LEAST TEN DAYS BEFORE THE DATE OF  
24 THE HEARING. IF THE PETITIONER OR THE DEPARTMENT FAILS TO  
25 PROVIDE NOTICE AS REQUIRED UNDER THIS SUBSECTION, NO HEARING  
26 SHALL BE SCHEDULED. A REQUEST FOR A HEARING SUBMITTED BY ONE  
27 PARTY SHALL AFFORD BOTH PARTIES THE OPPORTUNITY FOR A HEARING.

28 \* \* \*

29 (D.7) COMPROMISE SETTLEMENT.--THE FOLLOWING APPLY:

30 (1) THE BOARD SHALL ESTABLISH PROCEDURES TO FACILITATE

1 THE COMPROMISE SETTLEMENT OF ISSUES ON APPEAL. A COMPROMISE  
2 SETTLEMENT SHALL BE ORDERED BY THE BOARD ONLY WITH THE  
3 AGREEMENT OF BOTH THE PETITIONER AND THE DEPARTMENT. THE  
4 PROVISIONS OF SECTION 2707(C) SHALL BE APPLICABLE TO  
5 COMPROMISE SETTLEMENTS UNDER THIS SECTION.

6 (2) A COMPROMISE SETTLEMENT MAY BE SUBMITTED TO THE  
7 BOARD AT ANY TIME BEFORE THE BOARD'S DECISION AND ORDER,  
8 INCLUDING AFTER THE BOARD GRANTS RECONSIDERATION OF A  
9 DECISION AND ORDER.

10 (3) IF A PAYMENT IS DUE TO THE DEPARTMENT UNDER A  
11 COMPROMISE SETTLEMENT, THE PETITIONER SHALL PAY THE LIABILITY  
12 DUE WITHIN 60 DAYS OF THE DATE OF A NOTICE FROM THE  
13 DEPARTMENT SPECIFYING THE BOARD'S DECISION AND ORDER. IF THE  
14 PETITIONER FAILS TO PAY THE LIABILITY DUE WITHIN 60 DAYS OF  
15 THE DATE OF A NOTICE FROM THE DEPARTMENT SPECIFYING THE  
16 BOARD'S DECISION AND ORDER, THE DECISION OR ORDER SHALL BE  
17 VOID AND, UPON NOTICE BY THE DEPARTMENT, THE BOARD SHALL  
18 ISSUE A DECISION AND ORDER DENYING THE PETITION.

19 (4) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,  
20 IF THE PARTIES ARE NEGOTIATING A COMPROMISE SETTLEMENT, BOTH  
21 PARTIES MAY REQUEST AND THE BOARD MAY EXTEND THE TIME PERIOD  
22 FOR DISPOSING THE PETITION.

23 (E) [DECISION AND ORDER.--THE BOARD SHALL ISSUE A DECISION  
24 AND ORDER IN WRITING DISPOSING OF A PETITION ON ANY BASIS AS IT  
25 DEEMS TO BE IN ACCORDANCE WITH LAW AND EQUITY. A DECISION AND  
26 ORDER SHALL INCLUDE THE CONCLUSIONS REACHED AND THE FACTS ON  
27 WHICH THE DECISION WAS BASED. THE DECISION AND ORDER SHALL BE  
28 APPROVED BY A MAJORITY OF THE BOARD. A COPY OF THE DECISION AND  
29 ORDER AND ANY DISSENTING OPINION SHALL BE SENT TO THE PETITIONER  
30 UTILIZING THE METHOD IDENTIFIED BY THE PETITIONER AND BY

1 ELECTRONIC MEANS TO THE DEPARTMENT.] TYPES OF CLAIMS.--THE  
2 FOLLOWING APPLY:

3 (1) ALL PETITIONS IN WHICH, IN THE AGGREGATE, THE  
4 CONTESTED TAX DOES NOT EXCEED THE THRESHOLD AMOUNT UNDER  
5 PARAGRAPH (3), SHALL BE ADDRESSED BY THE BOARD AS A SUMMARY  
6 CLAIM UNLESS THE PETITIONER OR DEPARTMENT ELECTS TO TREAT THE  
7 PETITION AS A STANDARD CLAIM. A SUMMARY CLAIM SHALL BE  
8 ADDRESSED BY THE BOARD UNDER THE FOLLOWING PROCEDURES:

9 (I) UPON THE FILING OF A SUMMARY CLAIM, THE BOARD  
10 SHALL ISSUE A NOTICE OF INTENT TO RESOLVE THE CLAIM  
11 SUMMARILY TO THE PETITIONER AND THE DEPARTMENT.

12 (II) THE PETITIONER OR THE DEPARTMENT SHALL BE  
13 AFFORDED 60 DAYS FROM THE MAILING DATE OF THE NOTICE  
14 UNDER SUBPARAGRAPH (I) TO MAKE AN ELECTION TO TREAT AS A  
15 STANDARD CLAIM.

16 (III) IF THE BOARD DOES NOT RECEIVE AN ELECTION  
17 PRIOR TO THE EXPIRATION OF THE 60-DAY PERIOD UNDER  
18 SUBPARAGRAPH (II), THE BOARD SHALL ADDRESS THE PETITION  
19 AS A SUMMARY CLAIM.

20 (IV) THE BOARD SHALL ISSUE AN ORDER IN WRITING  
21 DISPOSING OF A PETITION UNDER THIS PARAGRAPH ON ANY BASIS  
22 AS IT DEEMS TO BE IN ACCORDANCE WITH LAW AND EQUITY. THE  
23 ORDER SHALL INCLUDE THE CONCLUSIONS REACHED AND THE FACTS  
24 ON WHICH THE DECISION WAS BASED. AN ORDER DISPOSING OF A  
25 PETITION MUST BE APPROVED BY A MAJORITY OF BOARD MEMBERS.  
26 A COPY OF AN ORDER, INCLUDING ANY DISSENTING OPINIONS,  
27 SHALL BE SENT TO THE PETITIONER UTILIZING THE METHOD  
28 IDENTIFIED BY THE PETITIONER AND TO THE DEPARTMENT BY  
29 ELECTRONIC MEANS.

30 (V) A SUMMARY CLAIM ORDER SHALL NOT BE APPEALABLE,

1 BE PUBLISHED ON THE BOARD'S PUBLICLY ACCESSIBLE INTERNET  
2 WEBSITE SUBJECT TO EX PARTE COMMUNICATIONS PROHIBITIONS  
3 OR BE PRECEDENT UNDER SECTION 210 OF THE ACT OF DECEMBER  
4 20, 1996 (P.L.1504, NO.195), KNOWN AS THE TAXPAYERS' BILL  
5 OF RIGHTS.

6 (2) ALL PETITIONS IN WHICH, IN THE AGGREGATE, THE  
7 CONTESTED TAX IS IN EXCESS OF THE THRESHOLD AMOUNT  
8 ESTABLISHED UNDER PARAGRAPH (3), SHALL BE ADDRESSED BY THE  
9 BOARD AS A STANDARD CLAIM. A STANDARD CLAIM SHALL BE  
10 ADDRESSED BY THE BOARD UNDER THE FOLLOWING PROCEDURES:

11 (I) THE BOARD SHALL ISSUE AN ORDER IN WRITING  
12 DISPOSING OF A PETITION ON ANY BASIS AS IT DEEMS IN  
13 ACCORDANCE WITH LAW AND EQUITY. THE ORDER SHALL INCLUDE  
14 THE CONCLUSIONS REACHED AND THE FACTS ON WHICH THE  
15 DECISION WAS BASED. THE DECISION AND ORDER MUST BE  
16 APPROVED BY A MAJORITY OF THE BOARD MEMBERS. A COPY OF  
17 THE DECISION AND ORDER, INCLUDING ANY DISSENTING  
18 OPINIONS, SHALL BE SENT TO THE PETITIONER UTILIZING THE  
19 METHOD IDENTIFIED BY THE PETITIONER AND TO THE DEPARTMENT  
20 BY ELECTRONIC MEANS.

21 (II) A STANDARD CLAIM ORDER BASED IN EQUITY SHALL  
22 NOT BE PRECEDENT UNDER SECTION 210 OF THE TAXPAYERS' BILL  
23 OF RIGHTS.

24 (3) THE THRESHOLD AMOUNT SHALL BE \$6,000 FOR DETERMINING  
25 WHETHER A PETITION SHALL BE TREATED AS A STANDARD CLAIM OR  
26 SUMMARY CLAIM.

27 (F) TIME LIMIT FOR DECISION AND ORDER.--

28 (1) EXCEPT AS PROVIDED IN PARAGRAPHS (2) AND (3), THE  
29 BOARD SHALL ISSUE A DECISION AND ORDER DISPOSING OF A  
30 PETITION WITHIN SIX MONTHS AFTER RECEIPT OF THE PETITION.

1 UPON THE REQUEST OF THE PETITIONER OR THE DEPARTMENT, THE  
2 BOARD MAY EXTEND THE TIME PERIOD FOR THE BOARD TO DISPOSE OF  
3 THE PETITION FOR ONE ADDITIONAL SIX-MONTH PERIOD.

4 (2) IF AT [THE] ANY TIME [OF THE FILING OF] A PETITION  
5 IS UNDER THE JURISDICTION OF THE BOARD AND PROCEEDINGS ARE  
6 PENDING IN A COURT OF COMPETENT JURISDICTION IN WHICH ANY  
7 CLAIM MADE IN THE PETITION MAY BE ESTABLISHED, THE BOARD,  
8 UPON THE WRITTEN REQUEST OF THE PETITIONER [MAY,] OR  
9 DEPARTMENT, SHALL DEFER CONSIDERATION OF THE PETITION UNTIL  
10 THE EXPIRATION DATE OF THE APPEAL PERIOD FROM THE FINAL  
11 JUDGMENT OF THE COURT OF HIGHEST JURISDICTION DETERMINING THE  
12 QUESTION OR QUESTIONS INVOLVED IN THE PETITION HAS BEEN  
13 DECIDED. IF CONSIDERATION OF THE PETITION IS DEFERRED, THE  
14 BOARD SHALL ISSUE A DECISION AND ORDER DISPOSING OF THE  
15 PETITION WITHIN SIX MONTHS AFTER THE FINAL JUDGMENT.

16 (3) IF A MATTER PENDING BEFORE THE BOARD WOULD BE  
17 MATERIALLY AFFECTED BY AN AUDIT OR OTHER PROCEEDING BEFORE  
18 THE INTERNAL REVENUE SERVICE OR BY AN AUDIT OR OTHER  
19 PROCEEDING CONDUCTED BY THE COMMONWEALTH OR ANOTHER STATE,  
20 THE BOARD, UPON THE WRITTEN REQUEST OF THE PETITIONER, MAY  
21 DEFER CONSIDERATION OF THE PETITION UNTIL SUCH TIME AS THE  
22 OTHER AUDIT OR PROCEEDING IS COMPLETED. IF CONSIDERATION OF  
23 THE PETITION IS DEFERRED, THE BOARD SHALL ISSUE A DECISION  
24 AND ORDER DISPOSING OF THE PETITION WITHIN SIX MONTHS AFTER  
25 THE AUDIT OR OTHER PROCEEDING IS FINAL.

26 \* \* \*

27 (H) PUBLICATION OF DECISIONS.--

28 (1) THE BOARD SHALL PUBLISH EACH DECISION, ALONG WITH  
29 ANY DISSENTING OPINION, WHICH GRANTS OR DENIES IN WHOLE OR IN  
30 PART A PETITION FOR REVIEW OR A PETITION FOR REFUND.

1 (2) PRIOR TO PUBLICATION OF A DECISION, THE BOARD SHALL  
2 EDIT THE DECISION TO REDACT THE FOLLOWING:

3 (I) INFORMATION IDENTIFIED BY THE PETITIONER AS AND  
4 THAT MEETS THE DEFINITION OF A TRADE SECRET OR  
5 CONFIDENTIAL PROPRIETARY INFORMATION AS DEFINED IN  
6 SECTION 102 OF THE ACT OF FEBRUARY 14, 2008 (P.L.6,  
7 NO.3), KNOWN AS THE RIGHT-TO-KNOW LAW.

8 (II) AN INDIVIDUAL'S SOCIAL SECURITY NUMBER, HOME  
9 ADDRESS, DRIVER'S LICENSE NUMBER, PERSONAL FINANCIAL  
10 INFORMATION AS DEFINED IN SECTION 102 OF THE RIGHT-TO-  
11 KNOW LAW, HOME, CELLULAR OR PERSONAL TELEPHONE NUMBERS,  
12 PERSONAL E-MAIL ADDRESSES, EMPLOYEE NUMBER OR OTHER  
13 CONFIDENTIAL PERSONAL IDENTIFICATION NUMBER AND A RECORD  
14 IDENTIFYING THE NAME, HOME ADDRESS OR DATE OF BIRTH OF A  
15 CHILD 17 YEARS OF AGE OR YOUNGER.

16 (III) SPECIFIC DOLLAR AMOUNTS OF TAX.

17 (IV) INFORMATION PURSUANT TO THE RIGHT-TO-KNOW LAW.

18 (3) THE DISCLOSURE OF ANY REMAINING INFORMATION,  
19 INCLUDING THE NAME OF THE TAXPAYER AND THE NATURE OF THE  
20 TAXPAYER'S BUSINESS, SHALL BE DEEMED NOT TO VIOLATE ANY  
21 PROVISION OF LAW TO THE CONTRARY, INCLUDING:

22 (I) SECTIONS 274, 353 AND 408.

23 (II) 18 PA.C.S. § 7326 (RELATING TO DISCLOSURE OF  
24 CONFIDENTIAL TAX INFORMATION).

25 (III) SECTION 731 OF THE ACT OF APRIL 9, 1929  
26 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE.

27 (4) DECISIONS SHALL BE INDEXED AND PUBLISHED ON A  
28 PUBLICLY ACCESSIBLE INTERNET WEBSITE MAINTAINED BY THE BOARD.

29 (5) FOR SUMMARY CLAIMS, THE BOARD SHALL COMPILE AND  
30 PUBLISH AN ANNUAL REPORT IDENTIFYING THE NUMBER OF PETITIONS

1 ADDRESSED AS SUMMARY CLAIMS AND THE AGGREGATE AMOUNT REFUNDED  
2 OR REASSESSED.

3 (H.1) CORRECTIVE DECISIONS AND ORDERS.--IF A FINAL  
4 DECISION AND ORDER OF THE BOARD CONTAINS A SIGNIFICANT  
5 ADMINISTRATIVE OR CALCULATION ERROR, THE BOARD MAY ISSUE A  
6 CORRECTIVE DECISION AND ORDER IF BOTH THE PETITIONER AND THE  
7 DEPARTMENT AGREE IN WRITING TO PERMIT THE BOARD TO ISSUE THE  
8 CORRECTIVE DECISION AND ORDER. THE CORRECTIVE DECISION AND  
9 ORDER MUST BE ISSUED WITHIN ONE YEAR OF THE DATE OF THE  
10 PREVIOUS DECISION AND ORDER.

11 (H.2) PAYMENTS OR CREDITS.--A DECISION AND ORDER OF THE  
12 BOARD SHALL NOT ADDRESS THE APPLICATION OF PAYMENTS OR  
13 CREDITS TO A PETITIONER'S ACCOUNT UNLESS THE APPLICATION IS  
14 AGREED TO IN A COMPROMISE BETWEEN THE PARTIES.

15 \* \* \*

16 SECTION 16.1. THE ACT IS AMENDED BY ADDING AN ARTICLE TO  
17 READ:

18 ARTICLE XXVIII

19 TOBACCO MASTER SETTLEMENT PAYMENT

20 REVENUE BONDS

21 SECTION 2801. DEFINITIONS.

22 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE  
23 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
24 CONTEXT CLEARLY INDICATES OTHERWISE:

25 "ACCOUNT." THE TOBACCO REVENUE BOND DEBT SERVICE ACCOUNT  
26 ESTABLISHED IN SECTION 2805.

27 "ANNUAL PAYMENT." A PAYMENT RECEIVED BY THE COMMONWEALTH  
28 UNDER SECTION IX(C) (1) OF THE MASTER SETTLEMENT AGREEMENT.

29 "AUTHORITY." THE COMMONWEALTH FINANCING AUTHORITY  
30 ESTABLISHED UNDER 64 PA.C.S. CH. 15 (RELATING TO COMMONWEALTH

1 FINANCING AUTHORITY).

2 "FINANCE." THE ISSUANCE OF REVENUE BONDS UTILIZING A PORTION  
3 OF ANNUAL PAYMENTS DUE TO THE COMMONWEALTH UNDER THE MASTER  
4 SETTLEMENT AGREEMENT.

5 "FUND." THE TOBACCO SETTLEMENT FUND ESTABLISHED IN SECTION  
6 1712-A.1 OF THE ACT OF APRIL 9, 1929 (P.L.343, NO.176), KNOWN AS  
7 THE FISCAL CODE.

8 "MASTER SETTLEMENT AGREEMENT." THE SETTLEMENT AGREEMENT AND  
9 RELATED DOCUMENTS ENTERED INTO ON NOVEMBER 23, 1998, BY THE  
10 COMMONWEALTH AND LEADING UNITED STATES TOBACCO PRODUCT  
11 MANUFACTURERS APPROVED BY THE COURT OF COMMON PLEAS,  
12 PHILADELPHIA COUNTY, ON JANUARY 13, 1999.

13 "OFFICE." THE GOVERNOR'S OFFICE OF THE BUDGET.

14 "SECRETARY." THE SECRETARY OF THE BUDGET OF THE  
15 COMMONWEALTH.

16 "TOBACCO SETTLEMENT ACT." THE ACT OF JUNE 26, 2001 (P.L.755,  
17 NO.77), KNOWN AS THE TOBACCO SETTLEMENT ACT.  
18 SECTION 2802. BOND ISSUANCE.

19 (A) DECLARATION OF POLICY.--THE GENERAL ASSEMBLY FINDS AND  
20 DECLARES THAT:

21 (1) THE COMMONWEALTH EXPERIENCED A REVENUE DEFICIT OF  
22 \$1,106,700,308 IN GENERAL FUND REVENUE COLLECTIONS FOR FISCAL  
23 YEAR 2016-2017.

24 (2) THE COMMONWEALTH'S GENERAL FUND CONTINUES TO  
25 EXPERIENCE A STRUCTURAL DEFICIT WHERE ANNUAL EXPENDITURES  
26 EXCEED RECURRING REVENUE COLLECTIONS.

27 (3) THE GENERAL FUND FOR FISCAL YEAR 2016-2017 REVENUE  
28 SHORTFALL IN COMBINATION WITH THE STRUCTURAL DEFICIT,  
29 INCREASED EXPENDITURE NEEDS AND INCREASED TAX REFUNDS  
30 RESULTED IN A SIGNIFICANT NEGATIVE ENDING BALANCE IN THE

1 GENERAL FUND OF APPROXIMATELY \$1,539,000,000 FOR FISCAL YEAR  
2 2016-2017.

3 (4) A SIGNIFICANT PORTION OF THE COMMONWEALTH'S GENERAL  
4 FUND ANNUAL EXPENDITURES ARE DEDICATED TO THE PROTECTION OF  
5 THE HEALTH, SAFETY AND GENERAL WELFARE OF THE PEOPLE OF THIS  
6 COMMONWEALTH AND THE FURTHERANCE OF ECONOMIC DEVELOPMENT AND  
7 EFFICIENCY WITHIN THIS COMMONWEALTH BY PROVIDING BASIC  
8 SERVICES AND FACILITIES.

9 (5) THE ABILITY OF THE COMMONWEALTH TO PROVIDE FOR THE  
10 PROTECTION OF THE HEALTH, SAFETY AND GENERAL WELFARE OF THE  
11 PEOPLE OF THIS COMMONWEALTH AND THE PROVISION OF BASIC  
12 SERVICES AND FACILITIES IS JEOPARDIZED BY THE GENERAL FUND  
13 FOR FISCAL YEAR 2016-2017 REVENUE DEFICIT AND THE CONTINUING  
14 STRUCTURAL DEFICIT.

15 (6) THE PROVISIONS OF 64 PA.C.S. CH. 15 (RELATING TO  
16 COMMONWEALTH FINANCING AUTHORITY) ARE ENTITLED TO LIBERAL  
17 CONSTRUCTION IN ORDER TO EFFECT LEGISLATIVE AND PUBLIC  
18 PURPOSES.

19 (7) ONE OF THE STATED PURPOSES OF 64 PA.C.S. CH. 15 IS  
20 THE PROTECTION OF "THE HEALTH, SAFETY AND GENERAL WELFARE OF  
21 THE PEOPLE OF THIS COMMONWEALTH AND TO FURTHER ENCOURAGE  
22 ECONOMIC DEVELOPMENT AND EFFICIENCY WITHIN THIS COMMONWEALTH  
23 BY PROVIDING BASIC SERVICES AND FACILITIES," AND "IT IS  
24 NECESSARY TO PROVIDE ADDITIONAL OR ALTERNATE MEANS OF  
25 FINANCING INFRASTRUCTURE FACILITIES, TRANSPORTATION SYSTEMS,  
26 INDUSTRIAL PARKS, ENERGY CONVERSION FACILITIES, FACILITIES  
27 FOR THE FURNISHING OF ENERGY, WATER AND TELECOMMUNICATIONS,  
28 FACILITIES FOR THE COLLECTION OR TREATMENT OF WASTEWATER AND  
29 STORM WATER, TOURISM, PARKING FACILITIES, HEALTH CARE  
30 FACILITIES AND OTHER BASIC SERVICE AND RELATED FACILITIES

1 WHICH ARE CONDUCTIVE TO ECONOMIC ACTIVITY WITHIN THIS  
2 COMMONWEALTH" UNDER 64 PA.C.S. § 1503(6) (RELATING TO  
3 FINDINGS AND DECLARATION OF POLICY).

4 (8) THE TOBACCO SETTLEMENT FUND IS A SPECIAL REVENUE  
5 FUND ESTABLISHED FOR THE PURPOSE OF PROVIDING FUNDING FOR  
6 VARIOUS COMMONWEALTH PROGRAMS.

7 (9) UTILIZING A PORTION OF ANNUAL PAYMENTS RECEIVED  
8 THROUGH THE MASTER SETTLEMENT AGREEMENT AND DEPOSITED IN THE  
9 TOBACCO SETTLEMENT FUND TO LEVERAGE FUNDING TO OFFSET THE  
10 EFFECT OF THE FISCAL YEAR 2016-2017 REVENUE DEFICIT AND THE  
11 STRUCTURAL DEFICIT IS IN THE BEST INTEREST OF THE  
12 COMMONWEALTH TO PROVIDE GENERAL FUND BUDGETARY RELIEF  
13 NECESSARY FOR THE PROTECTION OF THE HEALTH, SAFETY AND  
14 GENERAL WELFARE OF THE PEOPLE OF THIS COMMONWEALTH AND THE  
15 PROVISION OF BASIC SERVICES AND FACILITIES.

16 (B) AUTHORITY.--NOTWITHSTANDING ANY OTHER LAW, THE AUTHORITY  
17 SHALL ESTABLISH A PROGRAM TO ISSUE BONDS ON BEHALF OF THE  
18 COMMONWEALTH, THE PROCEEDS OF WHICH SHALL BE DEPOSITED IN THE  
19 GENERAL FUND TO PROVIDE GENERAL FUND BUDGETARY RELIEF NECESSARY  
20 FOR THE PROTECTION OF THE HEALTH, SAFETY AND GENERAL WELFARE OF  
21 THE PEOPLE OF THIS COMMONWEALTH AND THE FURTHERANCE OF ECONOMIC  
22 DEVELOPMENT AND EFFICIENCY WITHIN THIS COMMONWEALTH BY PROVIDING  
23 BASIC SERVICES AND FACILITIES.

24 (C) DEBT OR LIABILITY.--

25 (1) BONDS ISSUED UNDER THIS ARTICLE SHALL NOT BE A DEBT  
26 OR LIABILITY OF THE COMMONWEALTH AND SHALL NOT CREATE OR  
27 CONSTITUTE AN INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE  
28 COMMONWEALTH.

29 (2) BOND OBLIGATIONS SHALL BE PAYABLE SOLELY FROM  
30 REVENUES OR FUNDS PLEDGED OR AVAILABLE FOR REPAYMENT AS

1 AUTHORIZED UNDER THIS ARTICLE.

2 (3) EACH BOND MUST CONTAIN ON ITS FACE A STATEMENT THAT:

3 (I) THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL  
4 OF OR INTEREST ON THE BONDS ONLY FROM THE REVENUES OR  
5 FUNDS PLEDGED OR AVAILABLE FOR REPAYMENT AS AUTHORIZED  
6 UNDER THIS ARTICLE.

7 (II) THE COMMONWEALTH SHALL NOT BE OBLIGATED TO PAY  
8 THE PRINCIPAL OF OR INTEREST ON THE BONDS.

9 (III) THE FULL FAITH AND CREDIT OF THE COMMONWEALTH  
10 IS NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE  
11 INTEREST ON THE BONDS.

12 SECTION 2803. LIMITATIONS ON BOND ISSUANCE.

13 (A) MAXIMUM PRINCIPAL AMOUNT.--THE AUTHORITY MAY ISSUE BONDS  
14 UNDER THIS ARTICLE IN A MAXIMUM AGGREGATE PRINCIPAL AMOUNT  
15 SUFFICIENT TO RAISE NET PROCEEDS OF \$1,300,000,000, UNLESS THE  
16 AUTHORITY AND THE OFFICE DETERMINE THIS AMOUNT IS INSUFFICIENT  
17 TO CARRY OUT THE PURPOSES OF THIS ARTICLE, THEN THE AUTHORITY  
18 SHALL ADOPT A RESOLUTION TO PETITION THE SECRETARY TO INCREASE  
19 THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT. THE SECRETARY MAY  
20 APPROVE THE PETITION AND, IF APPROVED, SHALL PUBLISH NOTICE OF  
21 THE APPROVAL IN THE PENNSYLVANIA BULLETIN.

22 (B) LIMITATION.--THE AUTHORITY SHALL NOT ISSUE ANY BONDS  
23 UNDER THIS ARTICLE, EXCEPT REFUNDING BONDS, AFTER JUNE 30, 2019.  
24 THE AUTHORITY, IN CONSULTATION WITH THE OFFICE, SHALL DETERMINE  
25 THE PRINCIPAL AMOUNTS OF TAXABLE BONDS AND TAX-EXEMPT BONDS TO  
26 BE ISSUED DURING FISCAL YEARS 2017-2018 AND 2018-2019.

27 (C) REFUNDING BONDS.--NOTWITHSTANDING ANY OTHER LIMITATION,  
28 THE AUTHORITY, AT THE REQUEST OF THE SECRETARY, MAY ISSUE  
29 REFUNDING BONDS AT ANY TIME WHILE BONDS ISSUED UNDER THIS  
30 ARTICLE ARE OUTSTANDING, PROVIDED THAT THE FINAL MATURITY OF A

1 SERIES OF BONDS BEING REFUNDED SHALL NOT BE EXTENDED.

2 (D) INTEREST.--INTEREST ON BONDS ISSUED UNDER THIS ARTICLE  
3 AND REFUNDING BONDS AUTHORIZED UNDER THIS SECTION SHALL BE  
4 PAYABLE AT THE TIME OR TIMES THE AUTHORITY DETERMINES IN THE  
5 RESOLUTION AUTHORIZING THE BONDS AND SHALL OTHERWISE BE SUBJECT  
6 TO THE OTHER PROVISIONS OF THE 64 PA.C.S. CH. 15 (RELATING TO  
7 COMMONWEALTH FINANCING AUTHORITY). INTEREST MAY BE CAPITALIZED  
8 FOR A PERIOD NOT TO EXCEED TWO YEARS.

9 (E) DEBT LIMITATIONS.--THE AGGREGATE PRINCIPAL AMOUNT OF  
10 BONDS SPECIFIED IN THIS SECTION SHALL NOT BE SUBJECT TO THE DEBT  
11 LIMITATIONS SPECIFIED IN 64 PA.C.S. § 1543 (RELATING TO  
12 INDEBTEDNESS).

13 (F) TERM OF BONDS.--THE TERM OF THE BONDS ISSUED UNDER THIS  
14 ARTICLE MAY NOT EXCEED 30 YEARS.  
15 SECTION 2804. FINANCE PLEDGE.

16 (A) ANNUAL PAYMENTS.--

17 (1) ANNUAL PAYMENTS RECEIVED UNDER THE MASTER SETTLEMENT  
18 AGREEMENT ARE PLEDGED BY THE COMMONWEALTH IN THE AMOUNT  
19 CERTIFIED BY THE SECRETARY UNDER PARAGRAPH (2) FOR PAYMENT OF  
20 PRINCIPAL AND INTEREST FOR BONDS ISSUED BY THE AUTHORITY  
21 UNDER THIS ARTICLE.

22 (2) THE SECRETARY SHALL CERTIFY THE AMOUNT OF ANNUAL  
23 PAYMENTS NECESSARY TO BE PLEDGED FOR PAYMENT OF PRINCIPAL AND  
24 INTEREST FOR BONDS ISSUED BY THE AUTHORITY UNDER THIS ARTICLE  
25 PRIOR TO THE ISSUANCE OF BONDS UNDER THIS ARTICLE. THE  
26 CERTIFICATION SHALL BE PUBLISHED AS A NOTICE IN THE  
27 PENNSYLVANIA BULLETIN.

28 (B) GENERAL REVENUES.--

29 (1) THE COMMONWEALTH MAY PLEDGE FROM THE GENERAL  
30 REVENUES OF THE COMMONWEALTH THE SECOND DOLLAR OF REVENUES

1 COLLECTED BY THE COMMONWEALTH UNDER ARTICLE II FOR THE  
2 PAYMENT OF PRINCIPAL AND INTEREST FOR THE BONDS ISSUED BY THE  
3 AUTHORITY UNDER THIS ARTICLE. A PLEDGE MADE UNDER THIS  
4 SUBSECTION SHALL BE SUBORDINATE TO THE PLEDGE OF ARTICLE II  
5 REVENUES MADE IN SECTION 1753.1-E OF THE ACT OF APRIL 9, 1929  
6 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE.

7 (2) THE SECRETARY SHALL CERTIFY THE ANNUAL AMOUNT OF  
8 GENERAL REVENUES TO BE PLEDGED TO SUPPLEMENT AMOUNTS PLEDGED  
9 UNDER SUBSECTION (A) FOR PAYMENT OF PRINCIPAL AND INTEREST  
10 FOR BONDS ISSUED BY THE AUTHORITY UNDER THIS ARTICLE PRIOR TO  
11 THE ISSUANCE OF BONDS UNDER THIS ARTICLE. THE CERTIFICATION  
12 SHALL BE PUBLISHED AS A NOTICE IN THE PENNSYLVANIA BULLETIN.

13 (3) A PLEDGE UNDER THIS SUBSECTION MAY BE PRIMARY  
14 SECURITY OR SUBORDINATE TO AMOUNTS PLEDGED IN SUBSECTION (A).  
15 SECTION 2805. TOBACCO REVENUE BOND DEBT SERVICE ACCOUNT.

16 (A) ESTABLISHMENT.--THERE IS ESTABLISHED IN THE STATE  
17 TREASURY A RESTRICTED ACCOUNT IN THE GENERAL FUND TO BE KNOWN AS  
18 THE TOBACCO REVENUE BOND DEBT SERVICE ACCOUNT.

19 (B) ANNUAL PAYMENTS.--THE AMOUNT OF EACH ANNUAL PAYMENT  
20 RECEIVED UNDER THE MASTER SETTLEMENT AGREEMENT AND PLEDGED BY  
21 THE COMMONWEALTH UNDER SECTION 2804 AND CERTIFIED BY THE  
22 SECRETARY FOR THE PAYMENT OF PRINCIPAL AND INTEREST FOR BONDS  
23 ISSUED UNDER THIS ARTICLE SHALL BE DEPOSITED IN THE ACCOUNT UPON  
24 RECEIPT OF EACH ANNUAL PAYMENT.

25 (C) GENERAL REVENUE.--GENERAL REVENUES PLEDGED BY THE  
26 COMMONWEALTH IN SECTION 2804 AND CERTIFIED BY THE SECRETARY FOR  
27 THE PAYMENT OF PRINCIPAL AND INTEREST FOR BONDS ISSUED UNDER  
28 THIS ARTICLE SHALL BE DEPOSITED IN AMOUNTS DETERMINED BY THE  
29 SECRETARY.

30 (D) PAYMENTS ON BONDS.--PAYMENTS OF PRINCIPAL AND INTEREST

1 DUE ON THE BONDS SHALL BE MADE FROM THE ACCOUNT.

2 SECTION 2806. SERVICE AGREEMENT AUTHORIZED.

3 (A) AUTHORIZATION.--THE AUTHORITY AND THE OFFICE MAY ENTER  
4 INTO AN AGREEMENT OR SERVICE AGREEMENT TO EFFECTUATE THE  
5 PURPOSES OF THIS ARTICLE, INCLUDING AN AGREEMENT TO SECURE BONDS  
6 ISSUED UNDER THIS ARTICLE, UNDER WHICH THE SECRETARY SHALL AGREE  
7 TO PAY SERVICE CHARGES TO THE AUTHORITY IN EACH FISCAL YEAR THAT  
8 THE BONDS OR REFUNDING BONDS ARE OUTSTANDING IN AMOUNTS  
9 SUFFICIENT TO TIMELY PAY IN FULL THE DEBT SERVICE AND ANY OTHER  
10 FINANCING COSTS DUE ON THE BONDS ISSUED UNDER THIS ARTICLE.

11 (B) PAYMENT OF SERVICE CHARGES.--THE OFFICE'S PAYMENT OF ANY  
12 SERVICE CHARGES SHALL BE SUBJECT TO AND DEPENDENT UPON APPROVAL  
13 BY THE AUTHORITY AND THE APPROPRIATION OF FUNDS BY THE GENERAL  
14 ASSEMBLY TO THE OFFICE FOR PAYMENT OF ANY SERVICE CHARGES.

15 (C) AMENDMENT OF AGREEMENT.--THE SERVICE AGREEMENT MAY BE  
16 AMENDED OR SUPPLEMENTED BY THE AUTHORITY AND THE OFFICE IN  
17 CONNECTION WITH THE ISSUANCE OF A SERIES OF BONDS OR REFUNDING  
18 BONDS AUTHORIZED IN THIS SECTION.

19 SECTION 2807. DEPOSIT OF BOND PROCEEDS.

20 THE NET PROCEEDS OF BONDS, OTHER THAN REFUNDING BONDS,  
21 EXCLUSIVE OF COSTS OF ISSUANCE, RESERVES AND OTHER FINANCING  
22 CHARGES, SHALL BE TRANSFERRED BY THE AUTHORITY TO THE STATE  
23 TREASURER FOR DEPOSIT INTO THE GENERAL FUND AND SHALL BE  
24 AVAILABLE FOR EXPENDITURE AS PROVIDED IN THIS ARTICLE UPON  
25 APPROPRIATION BY THE GENERAL ASSEMBLY.

26 SECTION 2808. LIMITATION ON APPROPRIATIONS.

27 THE AMOUNT OF ANNUAL PAYMENTS FROM THE MASTER SETTLEMENT  
28 AGREEMENT THAT ARE PLEDGED AND CERTIFIED BY THE SECRETARY UNDER  
29 SECTION 2804 FOR THE PAYMENT OF PRINCIPAL AND INTEREST FOR BONDS  
30 ISSUED UNDER THIS ARTICLE SHALL NOT BE SUBJECT TO APPROPRIATION

1 UNDER SECTION 1713-A.1 OF THE ACT OF APRIL 9, 1929 (P.L.343,  
2 NO.176), KNOWN AS THE FISCAL CODE.

3 SECTION 17. SECTION 3003.6 OF THE ACT IS AMENDED TO READ:  
4 SECTION 3003.6. TIMELY FILING.--THE FOLLOWING APPLY:

5 (1) A TAXPAYER SHALL BE DEEMED TO HAVE TIMELY FILED A  
6 PETITION FOR REASSESSMENT OR ANY OTHER PROTEST RELATING TO THE  
7 ASSESSMENT OF TAX OR ANY OTHER MATTER RELATING TO ANY TAX  
8 IMPOSED BY THIS ACT IF THE LETTER TRANSMITTING THE PETITION IS  
9 RECEIVED BY THE DEPARTMENT OF REVENUE OR IS POSTMARKED BY THE  
10 UNITED STATES POSTAL SERVICE ON OR PRIOR TO THE FINAL DAY ON  
11 WHICH THE PETITION IS REQUIRED TO BE FILED.

12 (2) FOR PURPOSES OF FILING A PETITION FOR REFUND, A PETITION  
13 FOR REASSESSMENT OR A PETITION FOR REDETERMINATION WITH EITHER  
14 THE DEPARTMENT OF REVENUE OR THE BOARD OF FINANCE AND REVENUE,  
15 A LETTER POSTMARKED BY THE UNITED STATES POSTAL SERVICE UNDER  
16 PARAGRAPH (2) SHALL INCLUDE ANY DATE RECORDED OR MARKED AS  
17 DESCRIBED UNDER SECTION 7502(F) (2) OF THE INTERNAL REVENUE CODE  
18 OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 7502(F) (2)).

19 SECTION 18. IF ALL OR A PART OF THE NET LOSS DEDUCTION UNDER  
20 SECTION 401(3)4(C) OF THE ACT HAS BEEN DEEMED UNCONSTITUTIONAL  
21 AS A RESULT OF A DECISION BY THE PENNSYLVANIA SUPREME COURT, THE  
22 SECRETARY OF REVENUE SHALL SUBMIT A NOTICE OF THE DECISION FOR  
23 PUBLICATION IN THE PENNSYLVANIA BULLETIN.

24 SECTION 19. SEVERABILITY IS AS FOLLOWS:

25 IF SECTION 2403-A OR ANY PROVISION OF ARTICLE XXIV-B OR  
26 XXIV-C OF THE ACT, AS ADDED BY THIS ACT, IS HELD INVALID, THE  
27 REMAINING PROVISIONS OF ARTICLE XXIV-A OF THE ACT, AS ADDED  
28 BY THIS ACT, ARE VOID.

29 SECTION 20. THIS ACT SHALL APPLY AS FOLLOWS:

30 (1) THE TAX IMPOSED UNDER SECTION 2202 OF THE ACT SHALL

1 APPLY TO TRANSACTIONS OCCURRING AT LEAST 30 DAYS AFTER THE  
2 EFFECTIVE DATE OF THIS PARAGRAPH.

3 (2) THE AMENDMENT OR ADDITION OF THE FOLLOWING  
4 PROVISIONS OF THE ACTS SHALL APPLY TO PETITIONS FOR REFUNDS,  
5 PETITIONS FOR REASSESSMENTS AND PETITIONS FOR  
6 REDETERMINATIONS FILED WITH THE DEPARTMENT ON OR AFTER 60  
7 DAYS FROM THE EFFECTIVE DATE OF THIS SECTION:

8 (I) SECTION 2702(A) AND (A.1).

9 (II) SECTION 2703(E), (E.1) AND (F).

10 (III) SECTION 2704(A), (B), (D.2), (D.3), (D.5),  
11 (D.7), (E), (F), (H), (H.1) AND (H.2).

12 SECTION 21. REPEALS ARE AS FOLLOWS:

13 (1) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER  
14 PARAGRAPH (2) IS NECESSARY TO EFFECTUATE THE ADDITION OF  
15 SUBARTICLE E OF ARTICLE XVII-D.

16 (2) 12 PA.C.S. CH. 33 IS REPEALED.

17 (3) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER  
18 PARAGRAPH (4) IS NECESSARY TO EFFECTUATE THE ADDITION OF  
19 ARTICLE XXIV OF THE ACT.

20 (4) THE ACT OF MAY 15, 1939 (P.L.134, NO.65), REFERRED  
21 TO AS THE FIREWORKS LAW, IS REPEALED.

22 (5) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER  
23 PARAGRAPH (6) IS NECESSARY TO EFFECTUATE THE ADDITION OF  
24 ARTICLE XXIV-A OF THE ACT.

25 (6) 58 PA.C.S. § 2318 IS REPEALED.

26 (7) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER  
27 PARAGRAPH (8) IS NECESSARY TO EFFECTUATE THE AMENDMENT OF  
28 SECTION 3003.6 OF THE ACT.

29 (8) SECTION 1102.1 OF THE ACT OF APRIL 9, 1929 (P.L.343,  
30 NO.176), KNOWN AS THE FISCAL CODE, IS REPEALED.

1 SECTION 22. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

2 (1) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT IN 60  
3 DAYS:

4 (I) THE ADDITION OF SECTION 401(3)4(C.1) OF THE ACT.

5 (II) THE ADDITION OF PART IV-A OF ARTICLE IV OF THE  
6 ACT.

7 (III) THE ADDITION OF THE DEFINITIONS OF  
8 "DETERIORATED PROPERTY" AND "FILM PRODUCTION TAX CREDIT  
9 DISTRICT" IN SECTION 1711-D OF THE ACT.

10 (IV) THE ADDITION OF SECTION 1712-D(B.1).

11 (V) THE ADDITION OF SECTION 1716.2-D OF THE ACT.

12 (VI) THE ADDITION OF ARTICLE XXIV OF THE ACT.

13 (VII) THE ADDITION OF SECTION 2403-A OF THE ACT.

14 (VIII) THE AMENDMENT OF SECTION 2702(A) AND (A.1) OF  
15 THE ACT.

16 (IX) THE AMENDMENT OR ADDITION OF SECTION 2703(E),  
17 (E.1) AND (F) OF THE ACT.

18 (X) THE AMENDMENT OR ADDITION OF SECTION 2704(A),  
19 (B), (D.2), (D.3), (D.5), (D.7), (E), (F), (H), (H.1) AND  
20 (H.2) OF THE ACT.

21 (XI) SECTION 21(3) AND (4) OF THIS ACT.

22 (2) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT IN 90  
23 DAYS:

24 (I) THE ADDITION OF ARTICLE XXIV-C OF THE ACT.

25 (II) (RESERVED).

26 (3) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT IN 120  
27 DAYS:

28 (I) THE ADDITION OF ARTICLE XXIV-B OF THE ACT.

29 (II) (RESERVED).

30 (4) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT AUGUST 1,

1 2017, OR IMMEDIATELY, WHICHEVER IS LATER:

2 (I) THE AMENDMENT OR ADDITION OF SECTION 1101(A)  
3 INTRODUCTORY PARAGRAPH, (B) HEADING AND INTRODUCTORY  
4 PARAGRAPH, (B.2), (C), (C.1), (E), (F), (F.1), (J.1) AND  
5 (J.2) OF THE ACT.

6 (II) THE ADDITION OF PARTS V AND VI OF ARTICLE XI OF  
7 THE ACT.

8 (5) (RESERVED).

9 (6) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT IN 365  
10 DAYS:

11 (I) THE AMENDMENT OF THE DEFINITION OF "CONTRACTING  
12 AUTHORITY" IN SECTION 1902-B OF THE ACT.

13 (II) THE ADDITION OF SECTION 1904.3-B OF THE ACT.

14 (7) THE AMENDMENT OR ADDITION OF SECTION 401(3)4(C) (1)  
15 (A) (VI), (VII) AND (VIII) AND (2) (B) (VII) AND (VIII) OF THE  
16 ACT SHALL TAKE EFFECT ON THE DATE OF THE PUBLICATION OF THE  
17 NOTICE UNDER SECTION 18 OF THIS ACT.

18 (8) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT  
19 IMMEDIATELY:

20 (I) THIS SECTION.

21 (II) THE REMAINDER OF THIS ACT.