

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 645 Session of 2017

INTRODUCED BY O'NEILL, MUSTIO, D. COSTA, P. COSTA, DAVIS, DEAN, DeLUCA, DRISCOLL, FREEMAN, GAINNEY, KAUFER, KINSEY, KORTZ, LAWRENCE, MARSHALL, MATZIE, McNEILL, MURT, O'BRIEN, OBERLANDER, PASHINSKI, RAVENSTAHL, READSHAW, REED, SAINATO, SAMUELSON, SCHLOSSBERG, SCHWEYER, SOLOMON, TAYLOR AND NELSON, FEBRUARY 28, 2017

REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 28, 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 neighborhood assistance tax credit, further
 11 providing for tax credit and for grant of tax credit.

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

14 Section 1. Sections 1904-A(c) and 1905-A of the act of March
 15 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,
 16 amended July 13, 2016 (P.L.526, No.84), are amended to read:

17 Section 1904-A. Tax Credit.--* * *

18 (c) The total amount of tax credit granted for programs
 19 approved under this act shall not exceed [eighteen million
 20 dollars (\$18,000,000)] thirty-six million dollars (\$36,000,000)

1 of tax credit in any fiscal year.

2 * * *

3 Section 1905-A. Grant of Tax Credit.--The Department of
4 Revenue shall grant a tax credit against any tax due under
5 Article III, IV, VI, VII, VIII, IX or XV of this act, or any tax
6 substituted in lieu thereof in an amount which shall not exceed
7 fifty-five per cent of the total amount contributed during the
8 taxable year by a business firm or twenty-five per cent of
9 qualified investments by a private company in programs approved
10 pursuant to section 1904-A of this act: Provided, That a tax
11 credit of up to seventy-five per cent of the total amount
12 contributed during the taxable year by a business firm or up to
13 thirty-five per cent of the amount of qualified investments by a
14 private company may be allowed for investment in programs where
15 activities fall within the scope of special program priorities
16 as defined with the approval of the Governor in regulations
17 promulgated by the secretary, and Provided further, That a tax
18 credit of up to seventy-five per cent of the total amount
19 contributed during the taxable year by a business firm in
20 comprehensive service projects with five-year commitments and up
21 to eighty per cent of the total amount contributed during the
22 taxable year by a business firm in comprehensive service
23 projects with six-year or longer commitments shall be granted,
24 and Provided further, That a tax credit of up to seventy-five
25 per cent of the total amount contributed during the taxable year
26 by a business firm in veterans' housing assistance approved
27 under section 1904-A(b.3) shall be granted. Such credit shall
28 not exceed five hundred thousand dollars (\$500,000) annually for
29 contributions or investments to fewer than four projects or one
30 million two hundred fifty thousand dollars (\$1,250,000) annually

1 for contributions or investments to four or more projects. No
2 tax credit shall be granted to any bank, bank and trust company,
3 insurance company, trust company, national bank, savings
4 association, mutual savings bank or building and loan
5 association for activities that are a part of its normal course
6 of business. Any tax credit not used in the period the
7 contribution or investment was made may be carried over for the
8 next five succeeding calendar or fiscal years until the full
9 credit has been allowed. A business firm shall not be entitled
10 to carry back or obtain a refund of an unused tax credit. The
11 total amount of all tax credits allowed pursuant to this act
12 shall not exceed [eighteen million dollars (\$18,000,000)]
13 thirty-six million dollars (\$36,000,000) in any one fiscal year.
14 Of that amount, two million dollars (\$2,000,000) shall be
15 allocated exclusively for pass-through entities. However, if the
16 total amounts allocated to either the group of applicants,
17 exclusive of pass-through entities, or the group of pass-through
18 entity applicants is not approved in any fiscal year, the unused
19 portion shall become available for use by the other group of
20 qualifying taxpayers.

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