

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, NELSON, ENGLISH, CORR, DOWLING AND ROZZI, FEBRUARY 28, 2017

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, MAY 9, 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 AND <--
12 PROVIDING FOR REPORTING.

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

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

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

19 (c) The total amount of tax credit granted for programs
20 approved under this act shall not exceed [eighteen million

1 dollars (\$18,000,000)] thirty-six million dollars (\$36,000,000)
2 of tax credit in any fiscal year.

3 * * *

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

1 million two hundred fifty thousand dollars (\$1,250,000) annually
2 for contributions or investments to four or more projects. No
3 tax credit shall be granted to any bank, bank and trust company,
4 insurance company, trust company, national bank, savings
5 association, mutual savings bank or building and loan
6 association for activities that are a part of its normal course
7 of business. Any tax credit not used in the period the
8 contribution or investment was made may be carried over for the
9 next five succeeding calendar or fiscal years until the full
10 credit has been allowed. A business firm shall not be entitled
11 to carry back or obtain a refund of an unused tax credit. The
12 total amount of all tax credits allowed pursuant to this act
13 shall not exceed [eighteen million dollars (\$18,000,000)]
14 thirty-six million dollars (\$36,000,000) in any one fiscal year.
15 Of that amount, two million dollars (\$2,000,000) shall be
16 allocated exclusively for pass-through entities. However, if the
17 total amounts allocated to either the group of applicants,
18 exclusive of pass-through entities, or the group of pass-through
19 entity applicants is not approved in any fiscal year, the unused
20 portion shall become available for use by the other group of
21 qualifying taxpayers.

22 (B) NOTWITHSTANDING ANY OTHER PROVISION OF LAW AND EXCEPT <--
23 FOR THE TAX CREDITS WHICH ARE GRANTED UNDER SUBSECTION (A) ON
24 THE EFFECTIVE DATE OF THIS SUBSECTION, NO ADDITIONAL TAX CREDITS
25 MAY BE GRANTED UNDER THIS ARTICLE.

26 SECTION 2. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

27 SECTION 1908-A. REPORTING.--THE DEPARTMENT OF COMMUNITY AND
28 ECONOMIC DEVELOPMENT SHALL ISSUE A REPORT WITHIN 12 MONTHS OF
29 THE EFFECTIVE DATE OF THIS SECTION AND EACH FIVE YEARS
30 THEREAFTER. THE REPORT SHALL INCLUDE A FUNDING EVALUATION OF THE

1 NEIGHBORHOOD ASSISTANCE PROGRAM AND RECOMMENDATIONS FOR THE TAX
2 CREDIT, SPECIFICALLY INCLUDING WAYS THE DEPARTMENT CAN INTERACT
3 WITH AND PROMOTE THE INCLUSION OF COMMUNITY ORGANIZATIONS THAT
4 HAVE NOT PREVIOUSLY BEEN INCLUDED IN PROJECTS RECEIVING CREDITS.
5 COPIES OF THE REPORT SHALL BE SUBMITTED TO THE CHAIR AND
6 MINORITY CHAIR OF THE FINANCE COMMITTEE OF THE SENATE AND THE
7 CHAIR AND MINORITY CHAIR OF THE FINANCE COMMITTEE OF THE HOUSE
8 OF REPRESENTATIVES.

9 Section 2 3. This act shall take effect in 60 days.

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