

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 645 Session of 2017

INTRODUCED BY B. 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, ROZZI, RADER, MADDEN, STURLA AND SIMS, FEBRUARY 28, 2017

AS AMENDED ON THIRD CONSIDERATION, IN SENATE, OCTOBER 16, 2018

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 REALTY TRANSFER TAX, FURTHER PROVIDING FOR <--
11 EXCLUDED TRANSACTIONS; AND, in neighborhood assistance tax
12 credit, further providing for tax credit and for grant of tax
13 credit and providing for reporting.

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

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

19 SECTION 1. SECTION 1102-C.3 OF THE ACT OF MARCH 4, 1971 <--
20 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, IS AMENDED

1 BY ADDING A PARAGRAPH TO READ:

2 SECTION 1102-C.3. EXCLUDED TRANSACTIONS.--THE TAX IMPOSED BY
3 SECTION 1102-C SHALL NOT BE IMPOSED UPON:

4 * * *

5 (25) BEGINNING ON OR AFTER DECEMBER 31, 2015, A TRANSFER OF
6 REAL ESTATE BY A HOUSING AUTHORITY CREATED UNDER THE ACT OF MAY
7 28, 1937 (P.L.955, NO.265), REFERRED TO AS THE HOUSING
8 AUTHORITIES LAW, TO A NONPROFIT ORGANIZATION WHICH IS UTILIZING
9 THE REAL ESTATE FOR THE PURPOSE OF RENTAL ASSISTANCE
10 DEMONSTRATION ADMINISTERED BY THE UNITED STATES DEPARTMENT OF
11 HOUSING AND URBAN DEVELOPMENT UNDER THE CONSOLIDATED AND FURTHER
12 CONTINUING APPROPRIATIONS ACT, 2012 (PUBLIC LAW 112-55, 125
13 STAT. 552).

14 SECTION 2. SECTIONS 1904-A(C) AND 1905-A OF THE ACT ARE
15 AMENDED TO READ:

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

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

21 * * *

22 Section 1905-A. Grant of Tax Credit.--(a) The Department of
23 Revenue shall grant a tax credit against any tax due under
24 Article III, IV, VI, VII, VIII, IX or XV of this act, or any tax
25 substituted in lieu thereof in an amount which shall not exceed
26 fifty-five per cent of the total amount contributed during the
27 taxable year by a business firm or twenty-five per cent of
28 qualified investments by a private company in programs approved
29 pursuant to section 1904-A of this act: Provided, That a tax
30 credit of up to seventy-five per cent of the total amount

1 contributed during the taxable year by a business firm or up to
2 thirty-five per cent of the amount of qualified investments by a
3 private company may be allowed for investment in programs where
4 activities fall within the scope of special program priorities
5 as defined with the approval of the Governor in regulations
6 promulgated by the secretary, and Provided further, That a tax
7 credit of up to seventy-five per cent of the total amount
8 contributed during the taxable year by a business firm in
9 comprehensive service projects with five-year commitments and up
10 to eighty per cent of the total amount contributed during the
11 taxable year by a business firm in comprehensive service
12 projects with six-year or longer commitments shall be granted,
13 and Provided further, That a tax credit of up to seventy-five
14 per cent of the total amount contributed during the taxable year
15 by a business firm in veterans' housing assistance approved
16 under section 1904-A(b.3) shall be granted. Such credit shall
17 not exceed five hundred thousand dollars (\$500,000) annually for
18 contributions or investments to fewer than four projects or one
19 million two hundred fifty thousand dollars (\$1,250,000) annually
20 for contributions or investments to four or more projects. No
21 tax credit shall be granted to any bank, bank and trust company,
22 insurance company, trust company, national bank, savings
23 association, mutual savings bank or building and loan
24 association for activities that are a part of its normal course
25 of business. Any tax credit not used in the period the
26 contribution or investment was made may be carried over for the
27 next five succeeding calendar or fiscal years until the full
28 credit has been allowed. A business firm shall not be entitled
29 to carry back or obtain a refund of an unused tax credit. The
30 total amount of all tax credits allowed pursuant to this act

1 shall not exceed [eighteen million dollars (\$18,000,000)]
2 thirty-six million dollars (\$36,000,000) in any one fiscal year.
3 Of that amount, two million dollars (\$2,000,000) shall be
4 allocated exclusively for pass-through entities. However, if the
5 total amounts allocated to either the group of applicants,
6 exclusive of pass-through entities, or the group of pass-through
7 entity applicants is not approved in any fiscal year, the unused
8 portion shall become available for use by the other group of
9 qualifying taxpayers.

10 (b) Notwithstanding any other provision of law and except
11 for the tax credits which are granted under subsection (a) on
12 the effective date of this subsection, no additional tax credits
13 may be granted under this article.

14 Section 2 3. The act is amended by adding a section to read: <--

15 Section 1908-A. Reporting.--The Department of Community and
16 Economic Development shall issue a report within 12 months of
17 the effective date of this section and each five years
18 thereafter. The report shall include a funding evaluation of the
19 neighborhood assistance program and recommendations for the tax
20 credit, specifically including ways the department can interact
21 with and promote the inclusion of community organizations that
22 have not previously been included in projects receiving credits.
23 Copies of the report shall be submitted to the chair and
24 minority chair of the Finance Committee of the Senate and the
25 chair and minority chair of the Finance Committee of the House
26 of Representatives.

27 SECTION 4. THE ADDITION OF SECTION 1102-C.3(25) OF THE ACT <--
28 SHALL APPLY TO A COUNTY OF THE FIFTH CLASS WITH A POPULATION OF
29 BETWEEN 115,000 AND 118,000 IN THE 2010 FEDERAL DECENNIAL CENSUS
30 WHICH FILED AN APPEAL WITH THE BOARD OF FINANCE AND REVIEW AFTER

1 DECEMBER 31, 2015.

2 Section 3 5. This act shall take effect ~~in 60 days~~ JULY 1, <--

3 ~~2019~~. AS FOLLOWS: <--

4 (1) THIS SECTION SHALL TAKE EFFECT IMMEDIATELY.

5 (2) SECTION 4 OF THIS ACT AND THE ADDITION OF SECTION
6 1102-C.3(25) OF THE ACT SHALL TAKE EFFECT IN 60 DAYS.

7 (3) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT JULY 1,
8 2019.