
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1456 Session of
2017

INTRODUCED BY STURLA, FREEMAN, READSHAW, KINSEY AND DONATUCCI,
MAY 25, 2017

REFERRED TO COMMITTEE ON FINANCE, MAY 25, 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 definitions, for public policy and for tax
12 credit.

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

15 Section 1. The definition of "neighborhood organization" in
16 section 1902-A of the act of March 4, 1971 (P.L.6, No.2), known
17 as the Tax Reform Code of 1971, amended July 13, 2016 (P.L.526,
18 No.84), is amended and the section is amended by adding
19 definitions to read:

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

1 * * *

2 "Business firm fund." A fund held by a business firm that
3 provides education, job training and neighborhood assistance in
4 an impoverished area for its exclusive use, benefit or purposes,
5 but does not include:

6 (1) a fund held for a business firm by a trustee that is
7 not an institution; or

8 (2) a fund in which a beneficiary that is not a business
9 firm has an interest other than possible rights that could
10 arise upon violation or failure of the purposes of the fund.

11 * * *

12 "Endowment fund." A business firm fund, or any part thereof,
13 not wholly expendable by the business firm on a current basis
14 under the terms of the applicable gift instrument.

15 * * *

16 "Gift instrument." A will, deed, grant, conveyance,
17 agreement, memorandum, writing or other governing document,
18 including the terms of any business firm solicitations from
19 which a business firm fund resulted, under which property is
20 transferred to or held by a business firm as a business firm
21 fund.

22 * * *

23 "Neighborhood organization." Any organization performing
24 community services, offering neighborhood assistance or
25 providing job training, affordable housing, domestic violence or
26 veterans' housing assistance, education or crime prevention,
27 including through the use of endowment funds, in an impoverished
28 area, holding a ruling from the Internal Revenue Service of the
29 United States Department of the Treasury that the organization
30 is exempt from income taxation under the provisions of the

1 Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1
2 et seq.) and approved by the Department of Community and
3 Economic Development.

4 * * *

5 Section 2. Section 1903-A of the act is amended to read:

6 Section 1903-A. Public Policy.--It is hereby declared to be
7 public policy of this Commonwealth to encourage investment by
8 business firms in offering neighborhood assistance and providing
9 job training, education, crime prevention and community
10 services, including through the use of endowment funds, to
11 encourage contributions by business firms to neighborhood
12 organizations which offer and provide such assistance and
13 services and to promote qualified investments made by private
14 companies to rehabilitate, expand or improve buildings or land
15 which promote community economic development and which occur in
16 portions of impoverished areas which have been designated as
17 enterprise zones.

18 Section 3. Section 1904-A(a) of the act, amended July 13,
19 2016 (P.L.526, No.84), is amended to read:

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

1 provided in section 1905-A if the secretary annually approves
2 the proposal of such business firm or private company. The
3 proposal shall set forth the program to be conducted, the
4 impoverished area selected, the estimated amount to be invested
5 in the program and the plans for implementing the program.

6 * * *

7 Section 4. This act shall take effect in 60 days.