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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1662 Session of  
2017

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INTRODUCED BY PETRI, DEAN, MURT AND HARPER, JULY 19, 2017

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REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,  
JULY 19, 2017

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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," providing for an unconventional natural gas  
11 severance tax and for the Unconventional Natural Gas  
12 Severance Tax Fund; establishing the Unconventional Gas Well  
13 Employment Tax Credit Program; and making a related repeal.

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

16 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as  
17 the Tax Reform Code of 1971, is amended by adding articles to  
18 read:

19 ARTICLE XVI-C

20 UNCONVENTIONAL NATURAL GAS SEVERANCE TAX

21 PART I

22 DEFINITIONS AND IMPOSITION

23 Section 1601-C. Definitions.

1 The following words and phrases when used in this part shall  
2 have the meanings given to them in this section unless the  
3 context clearly indicates otherwise:

4 "Bare drilling and completion costs." The actual cost to  
5 prepare a site for drilling and to drill, complete and equip an  
6 unconventional gas well for production, excluding the costs of  
7 land acquisition, geophysical and geologic costs, internal  
8 administrative costs and any costs incurred after production of  
9 the gas.

10 "Date of first production." When used in reference to a  
11 particular unconventional gas well, the first day in the month  
12 an unconventional gas well produces natural gas for sale.

13 "Department." The Department of Revenue of the Commonwealth.

14 "Fund." The Unconventional Natural Gas Severance Tax Fund  
15 established under Part II.

16 "Marginal gas well." An unconventional gas well incapable of  
17 producing more than 4,500,000 cubic feet of gas per month during  
18 a calendar month, including production from the zones and  
19 multilateral well bores at a single well, without regard to  
20 whether the production is separately metered.

21 "Market value." The producer's proceeds from the sale of gas  
22 at arm's-length terms to the first purchaser less any payment  
23 made to lessors holding a royalty interest and less the costs to  
24 the producer of gathering, separating, processing,  
25 fractionating, dehydrating, treating, compressing, marketing and  
26 delivering the gas to the first purchaser. For purposes of  
27 calculating the costs to the producer where costs are incurred  
28 with an entity affiliated with the producer, the affiliated  
29 entity may not charge more for the costs than the amount that  
30 would be reasonably incurred in an arm's-length transaction with

1 a third party for the activities on a volumetric basis.

2 "Municipality." A city, borough, incorporated town or  
3 township.

4 "Natural gas." A fossil fuel consisting of a mixture of  
5 hydrocarbon gases, primarily methane, and possibly including  
6 ethane, propane, butane, pentane, carbon dioxide, oxygen,  
7 nitrogen and hydrogen sulfide and other gas species. The term  
8 includes natural gas from oil fields known as associated gas or  
9 casing head gas, natural gas fields known as nonassociated gas,  
10 coal beds, shale beds and other formations. The term does not  
11 include coal bed methane.

12 "Number of producing unconventional gas wells." The most  
13 recent numerical count of producing unconventional gas wells on  
14 the inventory maintained by the Department of Environmental  
15 Protection as of the last day of a calendar month.

16 "Payout." When the proceeds from the sale of natural gas  
17 produced by an unconventional gas well equal the bare drilling  
18 and completion costs for the well.

19 "Producer." A person or its subsidiary, affiliate or holding  
20 company that engages in the business of severing natural gas for  
21 sale, profit or commercial use from an unconventional gas well  
22 in this Commonwealth. The term does not include a producer that  
23 severs natural gas from a site used to store natural gas that  
24 did not originate from the site.

25 "Reporting period." A calendar month in which a producer  
26 sells natural gas.

27 "Sales meter." A meter to measure natural gas located at the  
28 point where natural gas is sold or transported to a purchaser or  
29 market.

30 "Sever." Natural gas taken or removed for commercial

1 purposes from the soil or water. The term does not apply to:

2 (1) natural gas returned to a formation, in recycling,  
3 repressuring, pressure maintenance operation or other  
4 operation for the production of oil or other liquid  
5 hydrocarbon; or

6 (2) hydrocarbons in gaseous or liquid form that are  
7 burned, used, consumed or otherwise employed in oil and gas  
8 operations, including, but not limited to, storage, secondary  
9 recovery operations and fuel for equipment.

10 "Severance tax." The tax on natural gas imposed under  
11 section 1602-C.

12 "Stripper well." An unconventional gas well incapable of  
13 producing more than 2,700,000 cubic feet of gas per month during  
14 a calendar month, including production from the zones and  
15 multilateral well bores at a single well, without regard to  
16 whether the production is separately metered.

17 "Unconventional formation." A geological shale formation  
18 existing below the base of the Elk Sandstone or its geologic  
19 equivalent stratigraphic interval where natural gas generally  
20 cannot be produced at economic flow rates or in economic volumes  
21 except by vertical or horizontal well bores stimulated by  
22 hydraulic fracture treatments or using multilateral well bores  
23 or other techniques to expose more of the formation to the well  
24 bore.

25 "Unconventional gas well." A bore hole drilled or being  
26 drilled for the purpose of or to be used for the production of  
27 natural gas from an unconventional formation.

28 "Wellhead meter." A meter located at a producing or  
29 nonproducing well site used to measure the volume of severed  
30 natural gas.

1 Section 1602-C. Imposition of tax.

2 (a) Establishment.--Beginning July 1, 2018, a natural gas  
3 severance tax shall be levied on every producer.

4 (b) Rate.--The tax shall be imposed at the rate of 5% upon  
5 the market value of natural gas sold during a reporting period.

6 (c) Well classification.--

7 (1) The producer of a proposed or existing gas well may  
8 apply to the Department of Environmental Protection for a  
9 letter ruling regarding whether the well qualifies as an  
10 unconventional gas well, a marginal gas well or a stripper  
11 well or to certify the date of first production of an  
12 unconventional gas well.

13 (2) The Department of Environmental Protection shall  
14 require an applicant to provide the information necessary to  
15 issue a letter ruling under this subsection. The letter  
16 ruling shall be issued within 15 calendar days of the receipt  
17 of a complete application or a change to a previous  
18 classification under paragraph (3).

19 (3) A producer shall notify the department of a change  
20 in the classification of a well subject to a letter ruling  
21 within 15 calendar days of the change.

22 (4) A determination regarding the classification of a  
23 gas well shall not expire unless notice is made under  
24 paragraph (3).

25 (5) A letter ruling shall be binding upon the department  
26 until revoked or the ruling expires. A producer shall not be  
27 subject to a penalty or an additional tax based upon its good  
28 faith reliance upon a letter ruling.

29 (d) Exclusions.--The tax shall not be imposed on the  
30 following:

- 1           (1) natural gas severed through a stripper well;  
2           (2) natural gas severed, sold and delivered by a  
3           producer at or within five miles of the producing site for  
4           the processing or manufacture of tangible personal property  
5           as defined under section 201;  
6           (3) natural gas provided free of charge to the owner of  
7           the surface under which the gas is severed if the surface  
8           owner is the end user of the gas; or  
9           (4) a gas well collecting coal bed methane.

10          (e) Credit.--A credit against the severance tax shall be  
11          allowed in the amount of 50% of the rate imposed in subsection  
12          (b) upon the market value of natural gas sold and severed from  
13          the earth through a marginal gas well.

14          (f) Deduction.--Except as provided in paragraphs (3), (4)  
15          and (5), if a return is filed by a producer and the severance  
16          tax shown to be due on the return less a deduction is paid  
17          within the time prescribed, the producer shall be entitled to  
18          apply against the market value of the natural gas sold for the  
19          reporting period a deduction computed as follows:

- 20           (1) Multiply:  
21           (i) seventy-five percent; by  
22           (ii) the bare drilling and completion costs for each  
23           unconventional gas well included in the return under  
24           section 1603-C(b).  
25           (2) Divide:  
26           (i) the product under paragraph (1); by  
27           (ii) thirty-six.  
28           (3) The computation under paragraphs (1) and (2) shall  
29           include unconventional gas wells for 36 months or until  
30           payout, whichever occurs first.

1           (4) The computation under paragraphs (1) and (2) shall  
2 not include an unconventional gas well drilled before July 1,  
3 2014.

4           (5) A deduction computed under paragraphs (1) and (2)  
5 shall not exceed the market value of natural gas sold for a  
6 reporting period.

7 Section 1603-C. Administration.

8           (a) Registration.--A producer who is subject to the  
9 severance tax shall, within 30 days of the date of first  
10 production or 90 days of the effective date of this section,  
11 whichever occurs later, apply for a certificate of registration  
12 in the manner and subject to the requirements of section 208 to  
13 the extent applicable to the severance tax. An application shall  
14 include a list of unconventional gas wells in which the producer  
15 has an interest and certification of the accuracy of the sales  
16 meter at each unconventional gas well or well pad under  
17 subsection (f).

18           (b) Returns and recordkeeping.--A producer shall file a  
19 return with the department on a form prescribed by the  
20 department. The return shall include the following:

21           (1) The market value of natural gas sold by the producer  
22 for the reporting period.

23           (2) The volume of natural gas sold by the producer for  
24 the reporting period.

25           (3) The number of producing unconventional gas wells  
26 used by the producer for the sale of natural gas in each  
27 county and municipality.

28           (4) The amount of severance tax due.

29           (5) Information to update the producer's registration  
30 application submitted under subsection (a) occurring in the

1 month for which returns are filed relating to:

2 (i) The addition to or removal from production of an  
3 unconventional gas well.

4 (ii) A change in the classification of an  
5 unconventional gas well.

6 (c) Filing.--The return required by subsection (b) shall be  
7 filed with the department within 20 days of the second month  
8 following the end of a reporting period. The first return shall  
9 be due September 20, 2018.

10 (d) Deadline.--The severance tax shall be due on the day the  
11 return is required to be filed and shall become delinquent if  
12 not remitted to the department by the date required under  
13 subsection (c).

14 (e) Deposit.--The severance tax shall be deposited into the  
15 fund.

16 (f) Meters.--A producer shall provide and maintain or cause  
17 to be provided and maintained a wellhead meter and a sales meter  
18 for an unconventional gas well that is tested, calibrated and  
19 maintained in accordance with industry standards adopted by the  
20 American Gas Association or other standard adopted by the  
21 department by regulation or, if the sale of gas is to a public  
22 utility, by the Pennsylvania Public Utility Commission.  
23 Wellhead and sales meters shall not be subject to 3 Pa.C.S. Ch.  
24 41 (relating to weights and measures). Multiple wells located on  
25 the same drilling pad may utilize the same meter. A wellhead  
26 meter installed after the effective date of this section shall  
27 be a digital meter.

28 (g) Applicability.--To the extent applicable to the  
29 severance tax, the provisions of sections 230, 231, 232, 272,  
30 274, 407.3, 407.4, 408 and 408.1 shall apply to the assessment,



1 reassessment, enforcement, collection and the adoption of  
2 regulations by the department.

3 (h) Interest, additions to tax, penalties and abatement.--  
4 To the extent applicable to the severance tax, the provisions of  
5 sections 266(a) and (b), 267, 268(a) and 269 and sections 806  
6 and 806.1 of the act of April 9, 1929 (P.L.343, No. 176), known  
7 as The Fiscal Code, shall apply to interest, additions to the  
8 severance tax and penalties.

9 (i) Bulk and auction sales.--The following apply:

10 (1) A producer that sells or transfers or causes to be  
11 sold at auction or in bulk 51% or more of the tangible assets  
12 of a business association subject to the severance tax shall:

13 (i) give the department no less than ten days'  
14 notice of the sale or transfer prior to the completion of  
15 the transfer of the property; and

16 (ii) file severance tax reports with the department  
17 up to and including the date of the proposed transfer of  
18 property and pay the severance taxes due the Commonwealth  
19 up to and including the date of the proposed transfer.

20 (2) Severance tax liability arising between the date of  
21 the notice and the date of the sale or transfer may be  
22 estimated by the producer.

23 (3) Within 30 days of the receipt of the notice under  
24 this subsection, the department shall review the severance  
25 tax reports filed and issue a notice to the producer and the  
26 purchaser regarding deficiencies alleged to be payable to the  
27 Commonwealth by the producer.

28 (4) Upon receipt of a timely notice from the department  
29 regarding amounts due from the producer, the failure of the  
30 purchaser or transferee to obtain evidence that the amounts

1 have been paid by the producer, or that a bond, letter of  
2 credit or other security acceptable to the department has  
3 been provided to ensure the payment of all or any portion of  
4 the amounts found to be due upon the completion of  
5 proceedings to review the department's determination, shall  
6 render the purchaser or transferee liable to the Commonwealth  
7 for the unpaid severance taxes determined in the notice to be  
8 due.

9 (5) The requirements of this subsection shall not apply  
10 to:

11 (i) sales or transfers made under an order of a  
12 court; or

13 (ii) sales or transfers made by:

14 (A) assignees for the benefit of creditors,  
15 executors, administrators or receivers;

16 (B) a public officer in his official capacity;

17 or

18 (C) an officer of a court.

19 (6) Nothing in this subsection shall be construed to  
20 prevent the department from subsequently determining that  
21 additional amounts are due from the seller or transferor in  
22 the manner otherwise authorized by law, but assessments or  
23 reassessments shall not become the obligation of the  
24 purchaser or transferee.

25 (j) Liens.--The provisions of section 242 shall apply to  
26 liens for the severance tax.

27 (k) Service.--The provisions of section 245 shall apply to  
28 service under this article.

29 (l) Refunds.--The provisions of sections 2703, 2704, 3003.1  
30 and 3003.5 shall apply to severance tax refunds under this

1 article.

2 PART II

3 UNCONVENTIONAL NATURAL GAS SEVERANCE TAX

4 FUND AND DISTRIBUTION

5 Section 1621-C. Definitions.

6 The following words and phrases when used in this part shall  
7 have the meanings given to them in this section unless the  
8 context clearly indicates otherwise:

9 "Commission." The Pennsylvania Public Utility Commission.

10 "Department." The Department of Environmental Protection of  
11 the Commonwealth.

12 "Fund." The Unconventional Natural Gas Severance Tax Fund  
13 established under section 1622-C.

14 "Highway mileage." The number of miles of public roads and  
15 streets most recently certified by the Department of  
16 Transportation as eligible for distribution of liquid fuels  
17 funds under the act of June 1, 1956 (1955 P.L.1944, No.655),  
18 referred to as the Liquid Fuels Tax Municipal Allocation Law.

19 "Municipality." A borough, city, incorporated town or  
20 township.

21 "Natural gas." A fossil fuel consisting of a mixture of  
22 hydrocarbon gases, primarily methane, and possibly including  
23 ethane, propane, butane, pentane, carbon dioxide, oxygen,  
24 nitrogen and hydrogen sulfide and other gas species. The term  
25 includes natural gas from oil fields known as associated gas or  
26 casing head gas, natural gas fields known as nonassociated gas,  
27 coal beds, shale beds and other formations. The term does not  
28 include coal bed methane.

29 "Number of spud unconventional gas wells." The most recent  
30 numerical count of spud unconventional gas wells on the

1 inventory maintained and provided to the commission by the  
2 department as of the last day of each month.

3 "Producer." A person or its subsidiary, affiliate or holding  
4 company that holds a permit or other authorization to engage in  
5 the business of severing natural gas for sale, profit or  
6 commercial use from an unconventional gas well in this  
7 Commonwealth. The term does not include a producer that severs  
8 natural gas from a site used to store natural gas that did not  
9 originate from the site.

10 "Severance tax." The tax imposed under section 1602-C.

11 "Small business." A company that is engaged in a for-profit  
12 enterprise and that employs 100 or fewer individuals.

13 "Unconventional formation." A geological shale formation  
14 existing below the base of the Elk Sandstone or its geologic  
15 equivalent stratigraphic interval where natural gas generally  
16 cannot be produced at economic flow rates or in economic volumes  
17 except by vertical or horizontal well bores stimulated by  
18 hydraulic fracture treatments or by using multilateral well  
19 bores or other techniques to expose more of the formation to the  
20 well bore.

21 "Unconventional gas well." A bore hole drilled or being  
22 drilled for the purpose of or to be used for the production of  
23 natural gas from an unconventional formation.

24 Section 1622-C. Establishment of fund.

25 The Unconventional Natural Gas Severance Tax Fund is  
26 established in the State Treasury. The money received by the  
27 Commonwealth under the severance tax shall be deposited into the  
28 fund.

29 Section 1623-C. Use of fund.

30 (a) Annual report.--The Governor shall report on the fund in

1 the State budget under section 613 of the act of April 9, 1929  
2 (P.L.177, No.175), known as The Administrative Code of 1929,  
3 which shall include the amounts appropriated to the fund.

4 (b) Distributions.--Taxes, fines, additions to severance  
5 tax, penalties and interest imposed and collected under this  
6 article shall be deposited into the fund and distributed for the  
7 fiscal years for the purposes provided in this section:

8 (1) For fiscal year 2018-2019, \$60,000,000 shall be  
9 transferred to the Unconventional Gas Well Fund.

10 (2) For fiscal year 2019-2020 and each fiscal year  
11 thereafter, \$120,000,000 shall be transferred to the  
12 Unconventional Gas Well Fund.

13 (3) For fiscal year 2018-2019, \$40,000,000 shall be  
14 transferred to the Marcellus Legacy Fund.

15 (4) For fiscal year 2019-2020 and each fiscal year  
16 thereafter, \$80,000,000 shall be transferred to the Marcellus  
17 Legacy Fund.

18 (5) For the payment of distributions under section 1630-  
19 C.

20 (6) For distribution to the commission under subsection  
21 1624-C(b).

22 (7) For fiscal year 2018-2019, 95% of the remaining  
23 money following the transfer or payment under paragraphs (1),  
24 (3), (5) and (6) shall be transferred to the General Fund.

25 (8) For fiscal year 2018-2019, 5% of the remaining money  
26 following the transfer or payment under paragraphs (1), (3),  
27 (5) and (6) shall be transferred to the Unconventional Gas  
28 Well Fund and the Marcellus Legacy Fund as follows:

29 (i) Sixty percent to the Unconventional Gas Well  
30 Fund for distribution under section 1631-C(a).

1           (ii) Forty percent to the Marcellus Legacy Fund.

2           (9) For fiscal year 2019-2020 and each fiscal year  
3 thereafter, 90% of the remaining money following the transfer  
4 or payment under paragraphs (2), (4), (5) and (6) shall be  
5 transferred to the General Fund.

6           (10) For fiscal year 2019-2020 and each fiscal year  
7 thereafter, 10% of the remaining money following the transfer  
8 or payment under paragraphs (2), (4), (5) and (6) shall be  
9 transferred to the Unconventional Gas Well Fund and the  
10 Marcellus Legacy Fund as follows:

11           (i) Sixty percent to the Unconventional Gas Well  
12 Fund for distribution under section 1631-C(a).

13           (ii) Forty percent to the Marcellus Legacy Fund.  
14 Section 1624-C. Report to commission.

15           (a) Report.--By April 1, 2019, and April 1 of each year  
16 thereafter, each producer shall submit to the commission a  
17 report on a form prescribed by the commission for the previous  
18 calendar year. The report shall include the following:

19           (1) Number of spud unconventional gas wells of a  
20 producer in each municipality within each county.

21           (2) Date each unconventional gas well identified under  
22 paragraph (1) was spud or ceased the production of natural  
23 gas.

24           (b) Costs of commission.--The costs of the commission to  
25 implement and administer the provisions of this part shall be  
26 paid from the fund.

27 Section 1625-C. Well information.

28           (a) List.--Within 30 days of the effective date of this  
29 section, the department shall provide the commission and, upon  
30 request, a county, with a list of all spud unconventional gas

1 wells from the department. The department shall update the list  
2 and provide it to the commission on a monthly basis.

3 (b) Updates.--A producer shall notify the commission of the  
4 following within 30 days after a calendar month in which the  
5 change occurs:

6 (1) Spudding of an unconventional gas well.

7 (2) Initiation of production at an unconventional gas  
8 well.

9 (3) Removal of an unconventional gas well from  
10 production.

11 Section 1626-C. Duties of department.

12 (a) Confirmation of payment.--Prior to issuing a permit to  
13 drill an unconventional gas well in this Commonwealth, the  
14 department shall establish whether the producer has paid the  
15 severance taxes owed. The Department of Revenue shall determine  
16 whether the producer has paid the severance taxes owed and  
17 notify the department of the determination.

18 (b) Permits and other authorizations.--With respect to the  
19 equipment or facilities necessary for placing an unconventional  
20 gas well subject to the severance tax into production and  
21 maintaining production, the following apply:

22 (1) The applications for permits and other  
23 authorizations shall receive priority review by the  
24 applicable Commonwealth agencies. An application receiving  
25 priority consideration shall include, but not be limited to,  
26 permits for site preparation, drilling and completion of a  
27 well, and the construction of the equipment necessary to  
28 place the well into production, including the construction of  
29 pipelines.

30 (2) The permits or other authorizations shall be granted

1 within 45 days of application concurrent with the well permit  
2 provided for in 58 Pa.C.S. § 3211 (relating to well permits),  
3 if applied for concurrently, or within 45 days of  
4 application, if submitted separately, unless denied for  
5 reasons duly authorized by law. An application for coverage  
6 under an applicable general permit shall be acted upon within  
7 30 days of submission. Failure to act within the time  
8 specified shall result in a deemed approval of the permit or  
9 other authorization.

10 (3) A permit issued under 58 Pa.C.S. § 3211 shall be  
11 valid for a period of two years from issuance.

12 (4) A permit required under 58 Pa.C.S. § 3211 may not be  
13 required prior to earth disturbance for site preparation,  
14 including access roads, provided that a permit applicable to  
15 the earth disturbance activity has been issued.

16 (5) An extension granted under 58 Pa.C.S. § 3216(g)  
17 (relating to well site restoration) may be granted for  
18 successive two-year periods if the requirements for the  
19 extensions are met.

20 (c) Prohibition.--The department shall not issue a permit to  
21 drill an unconventional gas well unless the producer meets the  
22 following requirements:

23 (1) filed severance tax reports required under this  
24 article; and

25 (2) paid severance taxes that are not in dispute.

26 Section 1627-C. Powers of commission.

27 The commission may make inquiries and determinations  
28 necessary to make distributions under this part.

29 Section 1628-C. Producers.

30 A producer subject to this part shall comply with regulations



1 of the commission and make reports, render statements and keep  
2 records as the commission deems sufficient to make distributions  
3 under this part.

4 Section 1629-C. Examinations.

5 (a) Access and examination.--

6 (1) The commission shall have access to the relevant  
7 documents and records of a producer in order to verify the  
8 accuracy and completeness of a report filed under this part.

9 (2) The commission may do all of the following:

10 (i) Require preservation of documents and records  
11 for an appropriate period not to exceed three years from  
12 the end of the calendar year to which the records relate.

13 (ii) Under 66 Pa.C.S. § 309 (relating to oaths and  
14 subpoenas):

15 (A) examine an employee of a producer under oath  
16 concerning the severing of natural gas subject to  
17 severance tax or a matter relating to the enforcement  
18 of this part; and

19 (B) compel the production of a relevant document  
20 or record and the attendance of a witness whom the  
21 commission believes to have knowledge of a relevant  
22 matter.

23 (b) Unauthorized disclosure.--Information obtained by the  
24 commission as a result of a report, examination, investigation  
25 or hearing under this part shall be confidential and shall not  
26 be disclosed, except for official purposes, in accordance with  
27 judicial order or as otherwise provided by law. A commissioner  
28 or an employee of the commission who, without authorization,  
29 divulges confidential information shall be subject to  
30 disciplinary action by the commission.

1 Section 1630-C. Distributions from fund.

2 Money deposited into the fund under section 1623-C(b) shall  
3 be distributed by the commission as follows:

4 (1) The following apply to conservation districts:

5 (i) From taxes collected in a fiscal year, the  
6 following amount shall be distributed from the fund to  
7 county conservation districts under subparagraph (ii):

8 (A) In fiscal year 2018-2019, \$7,500,000.

9 (B) In each succeeding fiscal year, the amount  
10 under clause (A), increased by the percentage  
11 increase in the Consumer Price Index for All Urban  
12 Consumers for the most recent 12-month period for  
13 which figures have been officially reported by the  
14 Bureau of Labor Statistics immediately prior to  
15 October 1.

16 (ii) Money under subparagraph (i) shall be  
17 distributed in accordance with the following:

18 (A) One-half shall be distributed by dividing  
19 the amount equally among conservation districts for  
20 uses consistent with the act of May 15, 1945  
21 (P.L.547, No.217), known as the Conservation District  
22 Law.

23 (B) One-half shall be distributed by the State  
24 Conservation Commission in a manner consistent with  
25 the Conservation District Law and the provisions of  
26 the State Conservation Commission's Conservation  
27 District Fund Allocation Program-Statement of Policy  
28 under 25 Pa. Code Ch. 83 Subch. B (relating to  
29 Conservation District Fund Allocation Program-  
30 Statement of Policy).

1           (2) From severance taxes collected under this article  
2 and deposited in the fund under section 1623-C(b), for fiscal  
3 year 2018-2019 and each fiscal year thereafter, the following  
4 shall apply:

5           (i) One million dollars shall be distributed to the  
6 Pennsylvania Fish and Boat Commission for costs relating  
7 to the review of applications for permits to drill  
8 unconventional gas wells.

9           (ii) Six million dollars shall be distributed to the  
10 department for the administration of this article and the  
11 enforcement of acts relating to clean air and clean  
12 water.

13           (iii) Seven hundred fifty thousand dollars shall be  
14 distributed to the Pennsylvania Emergency Management  
15 Agency for emergency response planning, training and  
16 coordination related to natural gas production from  
17 unconventional gas wells.

18           (iv) Seven hundred fifty thousand dollars shall be  
19 distributed to the Office of the State Fire Commissioner  
20 for the development, delivery and sustainment of training  
21 and grant programs for first responders and the  
22 acquisition of specialized equipment for response to  
23 emergencies relating to natural gas production from  
24 unconventional gas wells.

25           (v) One million dollars shall be distributed to the  
26 Department of Transportation for rail freight assistance.

27           (vi) One million dollars shall be distributed to the  
28 Department of Health for disseminating information,  
29 preparing and conducting health care provider outreach  
30 and education and other uses associated with

1 unconventional natural gas production activity within  
2 this Commonwealth.

3 (3) An agency or organization that receives money under  
4 this subsection shall, by December 31, 2020, and December 31  
5 of each year thereafter, submit to the Secretary of the  
6 Budget and the Appropriations Committee of the Senate and the  
7 Appropriations Committee of the House of Representatives a  
8 report itemizing and explaining the use of the money.

9 Section 1631-C. Unconventional Gas Well Fund.

10 (a) Distribution.--The money transferred to the  
11 Unconventional Gas Well Fund in fiscal year 2018-2019 and each  
12 fiscal year thereafter under section 1623-C shall be distributed  
13 to counties and municipalities for purposes authorized under  
14 subsection (d). It is the intent of this section that counties  
15 and municipalities, where appropriate, jointly fund projects  
16 that cross jurisdictional lines. The commission, after making a  
17 disbursement under subsection (c), shall distribute the  
18 remaining funds appropriated as follows by October 1, 2019, and  
19 each October 1 thereafter:

20 (1) Thirty-six percent shall be distributed to each  
21 county in which a spud unconventional gas well is located.  
22 The amount shall be determined under the following formula:

23 (i) Divide:

24 (A) the number of spud unconventional gas wells  
25 in the county; by

26 (B) the number of spud unconventional gas wells  
27 in this Commonwealth.

28 (ii) Multiply:

29 (A) the quotient under subparagraph (i); by

30 (B) the amount available for distribution under

1           this paragraph.

2           (2) Thirty-seven percent shall be distributed to each  
3 municipality in which a spud unconventional gas well is  
4 located. The amount shall be determined under the following  
5 formula:

6           (i) Divide:

7                   (A) the number of spud unconventional gas wells  
8 in the municipality; by

9                   (B) the number of spud unconventional gas wells  
10 in this Commonwealth.

11           (ii) Multiply:

12                   (A) the quotient under subparagraph (i); by

13                   (B) the amount available for distribution under  
14 this paragraph.

15           (3) Twenty-seven percent shall be distributed to each  
16 municipality located in a county in which a spud  
17 unconventional gas well is located. Distribution shall be  
18 made as follows:

19           (i) Divide:

20                   (A) the number of spud unconventional gas wells  
21 in the county; by

22                   (B) the number of spud unconventional gas wells  
23 in this Commonwealth.

24           (ii) Multiply:

25                   (A) the quotient under subparagraph (i); by

26                   (B) the amount available for distribution under  
27 this paragraph.

28           (iii) Fifty percent of the product under  
29 subparagraph (ii) shall be distributed to each  
30 municipality in which a spud unconventional gas well is

1 located, that is contiguous with a municipality in which  
2 a spud unconventional gas well is located or that is  
3 located within five linear miles of a spud unconventional  
4 gas well. The distribution shall be made as follows:

5 (A) Fifty percent of the amount available under  
6 this subparagraph to each municipality under the  
7 following formula:

8 (I) Divide:

9 (a) the population of the eligible  
10 municipality within the county; by

11 (b) the total population of all eligible  
12 municipalities within the county.

13 (II) Multiply:

14 (a) the quotient under subclause (I); by

15 (b) the amount allocated to the county  
16 under this subparagraph.

17 (B) Fifty percent of the amount available under  
18 this subparagraph shall be distributed to each  
19 municipality under the following formula:

20 (I) Divide:

21 (a) the highway mileage of the eligible  
22 municipality within the county; by

23 (b) the total highway mileage of all  
24 eligible municipalities within the county.

25 (II) Multiply:

26 (a) the quotient under subclause (I); by

27 (b) the amount allocated to the county  
28 under this subparagraph.

29 (iv) Fifty percent of the product under subparagraph

30 (ii) shall be distributed to each municipality in the

1 county regardless of whether an unconventional gas well  
2 is located in the municipality. The distribution shall be  
3 made as follows:

4 (A) Fifty percent of the amount available under  
5 this subparagraph shall be distributed to each  
6 municipality under the following formula:

7 (I) Divide:

8 (a) the population of the municipality  
9 within the county; by

10 (b) the total population of the county.

11 (II) Multiply:

12 (a) the quotient under subclause (I); by

13 (b) the amount allocated to the county  
14 under this subparagraph.

15 (B) Fifty percent of the amount available under  
16 this subparagraph shall be distributed to each  
17 municipality under the following formula:

18 (I) Divide:

19 (a) the highway mileage of the  
20 municipality within the county; by

21 (b) the total highway mileage of the  
22 county.

23 (II) Multiply:

24 (a) the quotient under subclause (I); by

25 (b) the amount allocated to the county  
26 under this subparagraph.

27 (b) Restriction.--

28 (1) The amount allocated to each municipality under  
29 subsection (a) may not exceed the greater of \$500,000 or 50%  
30 of the total budget for the prior fiscal year beginning with

1 the 2010 budget year and continuing every year thereafter,  
2 adjusted to reflect any upward changes in the Consumer Price  
3 Index for all Urban Consumers for the Pennsylvania, New  
4 Jersey, Delaware and Maryland area in the preceding 12  
5 months. Any remaining money after allocation under subsection  
6 (a) shall be retained by the commission and transferred to  
7 the Commonwealth Financing Authority.

8 (2) Remaining funds under paragraph (1) shall be used  
9 for grants to schools, hospitals and small businesses to  
10 obtain access to natural gas as follows:

11 (i) The Commonwealth Financing Authority shall give  
12 priority to applications that will result in adjoining  
13 residential and nonresidential properties obtaining  
14 natural gas.

15 (ii) Grants may provide for up to 50% of the cost of  
16 the project.

17 (c) Housing Affordability and Rehabilitation Enhancement  
18 Fund.--

19 (1) From severance taxes collected in fiscal year 2018-  
20 2019 and each fiscal year thereafter, \$5,000,000 from the  
21 fund shall be transferred to the Housing Affordability and  
22 Rehabilitation Enhancement Fund.

23 (2) Funds under paragraph (1) shall be used for the  
24 following purposes:

25 (i) To provide support to projects in a county in  
26 which producing unconventional gas wells are located that  
27 increase availability of quality, safe, affordable  
28 housing for low-income and moderate-income individuals or  
29 families, individuals with disabilities or elderly  
30 individuals.



1           (ii) To provide rental assistance in a county in  
2           which producing unconventional gas wells are located to  
3           individuals or families whose household income does not  
4           exceed the area median income.

5           (3) No less than 50% of the funds available under this  
6           subsection may be used in fifth, sixth, seventh and eighth  
7           class counties.

8           (d) Use of funds.--A county or municipality receiving funds  
9           under subsection (c) shall use the funds received only for the  
10           following purposes associated with natural gas production from  
11           unconventional gas wells within the county or municipality and  
12           in a manner consistent with the provisions of 58 Pa.C.S. Ch.33  
13           (relating to local ordinances relating to oil and gas  
14           operations):

15           (1) Construction, reconstruction, maintenance and repair  
16           of roadways, bridges and public infrastructure.

17           (2) Water, storm water and sewer systems, including  
18           construction, reconstruction, maintenance and repair.

19           (3) Emergency preparedness and public safety, including  
20           law enforcement and fire services, hazardous material  
21           response, 911 service operations, equipment acquisition and  
22           other services.

23           (4) Environmental programs, including trails, parks and  
24           recreation, open space, flood plain management, conservation  
25           districts and agricultural preservation.

26           (5) Preservation and reclamation of surface and  
27           subsurface waters and water supplies.

28           (6) Tax reductions, including homestead exclusions.

29           (7) Projects to increase the availability of safe and  
30           affordable housing to residents.

1           (8) Records management systems and personnel in the  
2 office of recorder of deeds, geographic information systems  
3 and information technology.

4           (9) The delivery of social services.

5           (10) Judicial services.

6           (11) For deposit into the county or municipality's  
7 capital reserve fund, if the funds are used solely for a  
8 purpose under this subsection.

9           (12) Career and technical centers for training of  
10 workers in the oil and gas industry.

11           (13) Local or regional planning initiatives under the  
12 act of July 31, 1968 (P.L.805, No.247), known as the  
13 Pennsylvania Municipalities Planning Code.

14           (14) Grants to residential property owners, schools,  
15 hospitals and small businesses to obtain access to natural  
16 gas.

17           (e) Prohibition.--Funds distributed under subsection (a) may  
18 not be used for the purpose of public relations.

19           (f) Reporting.--

20           (1) The commission shall submit an annual report on all  
21 funds in the Unconventional Gas Well Fund. The report shall  
22 include a detailed listing of all deposits and expenditures  
23 of the fund and be submitted to the chair and the minority  
24 chair of the Appropriations Committee of the Senate, the  
25 chair and the minority chair of the Environmental Resources  
26 and Energy Committee of the Senate, the chair and the  
27 minority chair of the Appropriations Committee of the House  
28 of Representatives and the chair and the minority chair of  
29 the Environmental Resources and Energy Committee of the House  
30 of Representatives. The report shall be submitted by October

1 31, 2019, and by October 31 of each year thereafter.

2 (2) Each county and municipality receiving funds from  
3 the Unconventional Gas Well Fund under this section shall  
4 submit information to the commission on a form prepared by  
5 the commission that provides the amount and use of the funds  
6 received in the prior calendar year. The form shall state  
7 whether or not the funds received were committed to a  
8 specific project or use as authorized in this section. Each  
9 report shall be published annually on the county's or  
10 municipality's publicly accessible Internet website. The  
11 commission may examine the relevant documents and records of  
12 a county or municipality in order to verify the accuracy and  
13 completeness of a report submitted under this paragraph. The  
14 commission may withhold funds in future years from a county  
15 or municipality that does not file accurate and timely  
16 reports under this paragraph.

17 (g) Availability of funds.--Distribution of funds under this  
18 section shall be contingent on availability of funds in the  
19 Unconventional Gas Well Fund. If sufficient funds are not  
20 available, the commission shall disburse funds on a pro rata  
21 basis.

22 (h) Population.--For the purposes of this section, the  
23 following apply:

24 (1) A population of a county shall be determined using  
25 the United States Census Bureau's most recently released  
26 Annual Estimates of the Resident Population for Counties of  
27 Pennsylvania.

28 (2) A population of a municipality shall be determined  
29 using the United States Census Bureau's most recently  
30 released Annual Estimates for the Resident Population for

1 Incorporated Places in Pennsylvania.

2 (3) A population of a municipality not included in the  
3 report referenced under paragraph (2) shall be determined  
4 using the United States Census Bureau's most recently  
5 released Annual Estimates of the Resident Population for  
6 Minor Civil Divisions in Pennsylvania.

7 Section 1632-C. Marcellus Legacy Fund.

8 (a) Distribution.--The money transferred to the Marcellus  
9 Legacy Fund in fiscal year 2018-2019 and each fiscal year  
10 thereafter pursuant to section 1623-C shall be distributed by  
11 the commission by October 1, 2019, and each October 1 thereafter  
12 as follows:

13 (1) Twenty percent to the Commonwealth Financing  
14 Authority for grants to eligible applicants for the  
15 following:

16 (i) Acid mines, including damage, abatement and  
17 cleanup and mine reclamation, with priority given to  
18 projects that recycle and treat water for use in drilling  
19 operations.

20 (ii) Orphan or abandoned oil and gas well plugging.

21 (iii) Complying with the act of January 24, 1966  
22 (1965 P.L.1535, No.537), known as the Pennsylvania Sewage  
23 Facilities Act.

24 (iv) Planning acquisition, development,  
25 rehabilitation and repair of greenways, recreational  
26 trails, open space, parks and beautification projects.

27 (v) Programs to establish baseline water quality  
28 data on private water supplies.

29 (vi) Watershed programs and related projects.

30 (vii) Flood control projects. Up to 25% of the funds

1 distributed to the Commonwealth Financing Authority under  
2 this paragraph may be utilized for projects under this  
3 subparagraph.

4 (2) Ten percent to the Environmental Stewardship Fund.

5 (3) Twenty-five percent to the Highway Bridge  
6 Improvement Restricted Account within the Motor License Fund  
7 to counties to be distributed to fund the cost of the  
8 replacement or repair of locally owned at-risk deteriorated  
9 bridges. Funds shall be distributed to counties  
10 proportionately based on the population of the county as  
11 follows:

12 (i) In each county, the distribution shall be  
13 according to the following formula:

14 (A) Divide:

15 (I) the total population of the county; by

16 (II) the total population of the

17 Commonwealth;

18 (B) Express the quotient under clause (A) as a  
19 percentage.

20 (C) Multiply:

21 (I) the percentage under clause (B); by

22 (II) the amount of money to be distributed

23 under this paragraph.

24 (ii) Each county shall receive a minimum of \$40,000,  
25 to the extent funds are available.

26 (iii) The Department of Transportation shall release  
27 money under this paragraph upon approval of a plan  
28 submitted by a county or municipality to repair an at-  
29 risk deteriorated bridge. The plan shall include funding  
30 for replacement or repair.

1           (iv) A county of the first or second class may  
2           submit a plan to use the county's funds under this  
3           paragraph for at-risk deteriorated bridges owned by a  
4           public transportation authority.

5           (4) Twenty-five percent for water and sewer projects.

6   The following shall apply:

7           (i) Fifty percent of the amount distributed under  
8           this paragraph shall be transferred to the Pennsylvania  
9           Infrastructure Investment Authority to be used in  
10          accordance with the act of March 1, 1988 (P.L.82, No.16),  
11          known as the Pennsylvania Infrastructure Investment  
12          Authority Act.

13          (ii) Fifty percent of the amount distributed under  
14          this paragraph shall be transferred to the H2O PA program  
15          to be used by the Commonwealth Financing Authority in  
16          accordance with section 301 of the act of July 9, 2008  
17          (P.L.908, No.63), known as the H2O PA Act. The  
18          prohibition on grants for projects located in a city or  
19          county of the first or second class under section 301 of  
20          the H2O PA Act shall not apply to funds distributed to  
21          the H2O PA program under this subparagraph.

22          (5) Fifteen percent for the planning, acquisition,  
23          development, rehabilitation and repair of greenways,  
24          recreational trails, open space, natural areas, community  
25          conservation and beautification projects, community and  
26          heritage parks and water resource management. Funds may be  
27          used to acquire lands for recreational or conservation  
28          purposes and land damaged or prone to drainage by storms or  
29          flooding. Funds shall be distributed to counties  
30          proportionately based on the population of the county as

1 follows:

2 (i) In each county, the distribution shall be  
3 according to the following formula:

4 (A) Divide:

5 (I) the total population of the county; by

6 (II) the total population of the

7 Commonwealth.

8 (B) Express the quotient under clause (A) as a  
9 percentage.

10 (C) Multiply:

11 (I) the percentage under clause (B); by

12 (II) the amount of funds available under

13 this paragraph.

14 (ii) Each county shall receive a minimum of \$25,000  
15 to the extent funds are available.

16 (6) Five percent for transfer to the Hazardous Sites  
17 Cleanup Fund.

18 (b) Availability of funds.--Distribution of funds under this  
19 section shall be contingent on availability of funds in the  
20 Marcellus Legacy Fund. If sufficient funds are not available,  
21 the commission shall disburse funds on a pro rata basis.

22 (c) Restriction on use of proceeds.--

23 (1) Funds distributed under subsection (a) may not be  
24 used for the purpose of public relations, outreach not  
25 directly related to project implementation, communications,  
26 lobbying or litigation.

27 (2) Funds distributed under subsection (a) may not be  
28 used by an authorized organization as defined in 27 Pa.C.S. §  
29 6103 (relating to definitions) for land acquisition unless  
30 the authorized organization has obtained the written consent

1 of the county and municipality in which the land is situated.  
2 (d) Coordination.--The department and the Department of  
3 Conservation and Natural Resources shall review each application  
4 for funding as requested by the Commonwealth Financing Authority  
5 and provide recommendations on priority of projects and project  
6 approval.

7 (e) Population.--For the purposes of this section, the  
8 population of this Commonwealth and population of a county shall  
9 be determined using the United States Census Bureau's most  
10 recently released Annual Estimates of the Resident Population  
11 for Counties of Pennsylvania.

12 PART III

13 RESPONSIBILITY FOR TAX

14 Section 1651-C. Prohibition.

15 The severance tax liability imposed on producers may not be  
16 passed onto lessors who hold a royalty interest.

17 PART IV

18 ADJUSTMENT TO AND EXPIRATION OF UNCONVENTIONAL

19 GAS WELL FEE

20 Section 1671-C. Adjustment.

21 Notwithstanding 58 Pa.C.S. § 2302 (relating to unconventional  
22 gas well fee), the amount of the unconventional gas well fee due  
23 from every producer for calendar year 2018 shall be 50% of the  
24 amount due under 58 Pa.C.S. § 2302 for an unconventional gas  
25 well spud prior to July 1, 2018. An unconventional gas well spud  
26 on or after July 1, 2018, shall not be subject to the fee  
27 imposed under 58 Pa.C.S. § 2302.

28 Section 1672-C. Expiration.

29 The unconventional gas well fee imposed under 58 Pa.C.S. §  
30 2302 (relating to unconventional gas well fee) may not be



1 imposed after July 1, 2018.

2 ARTICLE XVI-D

3 UNCONVENTIONAL GAS WELL EMPLOYMENT TAX CREDIT

4 Section 1601-D. Establishment.

5 The Unconventional Gas Well Employment Tax Credit Program is  
6 established.

7 Section 1602-D. Definitions.

8 The following words and phrases when used in this article  
9 shall have the meanings given to them in this section unless the  
10 context clearly indicates otherwise:

11 "Department." The Department of Revenue of the Commonwealth.

12 "Pass-through entity." A partnership as defined under  
13 section 301(n.0) or a Pennsylvania S corporation as defined  
14 under section 301(n.1).

15 "Qualified tax liability." The liability for taxes imposed  
16 under Article III, IV or VI. The term shall not include any tax  
17 withheld by an employer from an employee under Article III.

18 "Taxpayer." An entity subject to tax under Article III, IV  
19 or VI.

20 "Unconventional gas well." As defined in section 1601-C.

21 "Unconventional gas well employment tax credit." The credit  
22 provided under this article.

23 Section 1603-D. Eligible applicants.

24 (a) General rule.--A taxpayer who has a permit from the  
25 Department of Environmental Protection to drill for natural gas  
26 by means of an unconventional gas well in this Commonwealth may  
27 apply for an unconventional gas well employment tax credit as  
28 provided under this article. By September 15, 2019, a taxpayer  
29 shall submit an application to the department on a form  
30 prescribed by the department, providing the type of job in this

1 Commonwealth that will be filled and the salary that will be  
2 paid in the taxable year that ended in the prior calendar year.

3 (b) Application.--An application shall be developed by the  
4 department and shall include:

5 (1) Type and location in this Commonwealth of the  
6 position.

7 (2) Permits issued by the Department of Environmental  
8 Protection to allow the company to drill in this  
9 Commonwealth.

10 (3) Total cost of salary and benefits.

11 (4) Other information deemed appropriate by the  
12 department.

13 Section 1604-D. Award of tax credits.

14 If the department approves the company's application, the  
15 department and the company shall execute a commitment letter  
16 containing the following:

17 (1) A description of the project.

18 (2) The number of new jobs to be created in this  
19 Commonwealth.

20 (3) The amount of private capital investment in the  
21 project.

22 (4) The maximum job creation tax credit amount the  
23 company may claim.

24 (5) A signed statement from the company that the company  
25 will provide to the department a list of workers for which  
26 the company will claim tax credit, including documentation of  
27 each worker's status as a resident of and job location in  
28 this Commonwealth.

29 (6) Other information as the department deems  
30 appropriate.

1 Section 1605-D. Tax credit.

2 (a) Maximum amount.--A company may claim a tax credit of  
3 \$1,000 per new job created in this Commonwealth and up to the  
4 maximum job creation tax credit amount specified in a commitment  
5 letter from the department.

6 (b) Determination of new jobs created.--

7 (1) New jobs shall be deemed created in year one to the  
8 extent that the company's average employment by quarter  
9 during year one exceeds the company's average employment  
10 level during the company's base period, as adjusted for jobs  
11 held by nonresidents during the period which are no longer  
12 held by nonresidents.

13 (2) New jobs shall be deemed created in year two to the  
14 extent that the company's average employment by quarter  
15 during year two exceeds the company's average employment by  
16 quarter during year one.

17 (3) New jobs shall be deemed created in year three to  
18 the extent that the company's average employment by quarter  
19 during year three exceeds the company's average employment by  
20 quarter during year two.

21 (c) Applicability.--A company may apply the tax credit to  
22 100% of the company's corporate net income tax, capital stock  
23 and franchise tax or the capital stock and franchise tax of a  
24 shareholder of the company if the company is a Pennsylvania S  
25 corporation, personal income tax or the personal income tax of  
26 shareholders of a Pennsylvania S corporation or any combination  
27 thereof.

28 (d) Term.--A company may claim the job creation tax credit  
29 for each new job created as approved by the department for a  
30 period determined by the department but not to exceed five years

1 from the date the company first submits a job creation tax  
2 credit certificate.

3 (e) Availability.--Each fiscal year, \$2,000,000 in tax  
4 credits shall be made available to the department and may be  
5 awarded by the department in accordance with this article.

6 Section 1606-D. Prohibitions.

7 (a) Prohibitions.--The following actions with regard to job  
8 creation tax credits are prohibited:

9 (1) Approval of jobs created prior to the start date,  
10 unless the job was held by a nonresident who has been  
11 replaced by a resident.

12 (2) The assignment, transfer or use of credits by  
13 another company, however, tax credits may be assigned in  
14 whole or in part to an affiliated entity.

15 (b) Definition.--As used in this section, the term  
16 "affiliated entity" means an entity which is part of the same  
17 "affiliated group," as defined by section 1504(a) (1) of the  
18 Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §  
19 1504(a) (1)), as the company awarded the credit.

20 Section 1607-D. Penalties.

21 (a) Failure to create jobs.--A company which receives a job  
22 creation tax credit and fails to create the approved number of  
23 new jobs in this Commonwealth within three years of the start  
24 date shall refund to the Commonwealth the amount of credit  
25 granted.

26 (b) Waiver.--The department may waive the penalties outlined  
27 in subsection (a) if it is determined that a company's  
28 operations were not maintained or the new jobs were not created  
29 in this Commonwealth because of circumstances beyond the  
30 company's control. The circumstances include natural disasters

1 or unforeseen industry trends.

2 Section 1608-D. Notice.

3 The department shall publish notice of the availability of  
4 the job creation tax credit on its publicly accessible Internet  
5 website and make information available annually to the Workforce  
6 Investment Board of the Department of Labor and Industry for  
7 distribution to local boards.

8 Section 2. Repeals are as follows:

9 (1) The repeal under paragraph (2) is necessary to  
10 effectuate the addition of section 1603-C of the act.

11 (2) Section 1403 of the act of April 9, 1929 (P.L.343,  
12 No.176), known as The Fiscal Code.

13 Section 3. The tax imposed under Article XVI-C of the act  
14 shall apply to natural gas sold after June 30, 2019.

15 Section 4. This act shall take effect immediately.