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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 414 Session of  
2017

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INTRODUCED BY RAFFERTY, GREENLEAF, SCAVELLO, YUDICHAK, COSTA AND  
BOSCOLA, FEBRUARY 27, 2017

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REFERRED TO FINANCE, FEBRUARY 27, 2017

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AN ACT

1 Providing for tax credits to employers against their corporate  
2 net income tax liability for hiring employees 55 years of age  
3 or older for full-time employment.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the Continued  
8 Employment Tax Credit Act.

9 Section 2. Legislative intent.

10 The General Assembly finds and declares as follows:

11 (1) The public policy of this Commonwealth is to provide  
12 all its citizens with the opportunity to work.

13 (2) One obstacle to many is acquiring sustainable  
14 employment in a highly competitive job market.

15 (3) The Commonwealth wishes to acknowledge those  
16 businesses that consider the interests and needs of their  
17 employees.

18 (4) The policy stated in this section can be achieved by

1 providing a tax credit against the corporate net income tax  
2 liability to employers who hire a full-time employee 55 years  
3 of age or older.

4 Section 3. Authorization of tax credit.

5 To be eligible to receive a tax credit against tax due from  
6 an employer under Article IV of the act of March 4, 1971 (P.L.6,  
7 No.2), known as the Tax Reform Code of 1971, and against the  
8 payment of estimated tax or payment of tentative tax due from  
9 the employer on account of the taxes a taxpayer that is an  
10 employer, with at least four employees, engaged in a for-profit  
11 business enterprise must hire a full-time employee who:

- 12 (1) is 55 years of age or older; and
- 13 (2) has not been employed during the one-year period  
14 prior to being hired by the taxpayer.

15 Section 4. Limitations on tax credits.

16 Tax credits awarded under this act shall be subject to the  
17 following:

- 18 (1) Unused tax credits may be carried forward two years  
19 from the date they are awarded. If not used within this time  
20 period, the tax credits shall expire.
- 21 (2) Tax credits may not be refundable.
- 22 (3) Tax credits may not be transferable.
- 23 (4) Except in cases where an eligible employee  
24 voluntarily leaves the employment of the taxpayer, becomes  
25 disabled or is terminated for cause, no taxpayer shall be  
26 entitled to receive the tax credit if the employee is  
27 employed by the taxpayer for less than one year.
- 28 (5) If an eligible employee leaves the employment of the  
29 taxpayer voluntarily, becomes disabled or is terminated for  
30 cause in less than one year, the tax credit shall be reduced

1 by the proportion of the year not worked.

2 (6) Tax credits under Article IV of the act of March 4,  
3 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,  
4 shall be in lieu of an allowance for depreciation of property  
5 claimed and allowable under section 168 of the Internal  
6 Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 168).

7 (7) The amount of the tax credit allowed shall not  
8 exceed the amount of the tax otherwise due from the employer  
9 for the taxable year.

10 Section 5. Amount of tax credit.

11 For tax years beginning after December 31, 2014, a tax credit  
12 against the tax imposed under Article IV of the act of March 4,  
13 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, shall  
14 be awarded to each taxpayer eligible under section 3. The amount  
15 of tax credit shall be equal to the lesser of \$10,000 or 10% of  
16 the employee's qualified first-year wages for the year.

17 Section 6. Effective date.

18 This act shall take effect in 60 days.