

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1189 Session of 2019

INTRODUCED BY KNOWLES, MURT, CAUSER, McNEILL, QUINN, PICKETT, BARRAR, STEPHENS, ROTHMAN, READSHAW, OWLETT, RYAN, POLINCHOCK, KAUFFMAN, SAINATO, BERNSTINE, KEEFER, WARNER, DeLUCA, ZIMMERMAN, JONES, MARKOSEK, GOODMAN, SCHLEGEL CULVER, MALAGARI, GILLEN, WHEELAND, CIRESI, FARRY AND ROWE, APRIL 11, 2019

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, OCTOBER 21, 2019

AN ACT

1 ~~Amending Title 35 (Health and Safety) of the Pennsylvania~~ <--
2 ~~Consolidated Statutes, in volunteer firefighters, further~~
3 ~~providing for employment sanctions; and providing for a~~
4 ~~volunteer emergency responders employer tax credit.~~
5 ~~The General Assembly finds and declares as follows:~~
6 ~~(a) Findings.—~~
7 ~~(1) More than 85% of all emergency service personnel in~~
8 ~~this Commonwealth are volunteers.~~
9 ~~(2) Volunteer emergency service personnel have saved~~
10 ~~many lives and millions of tax dollars for the residents of~~
11 ~~this Commonwealth.~~
12 ~~(3) During the past decade, the ranks of volunteer~~
13 ~~emergency service personnel have decreased by more than 10%.~~
14 ~~(4) The decrease in manpower within this Commonwealth's~~
15 ~~volunteer emergency services, coupled with increasing~~
16 ~~conflicts with the volunteer emergency service personnel's~~

1 ~~professional duties, has resulted in:~~

2 ~~(i) Manpower response shortages to emergency calls.~~

3 ~~(ii) A decrease in the number of volunteers~~
4 ~~permitted and able to participate in necessary, and~~
5 ~~sometimes required, emergency service training.~~

6 ~~(iii) A greater risk to those who are permitted to~~
7 ~~respond to an emergency call.~~

8 ~~(b) Declaration. The General Assembly declares as follows:~~

9 ~~(1) It is vital to provide new ways to attract and~~
10 ~~retain volunteer emergency service personnel without placing~~
11 ~~an undue burden on taxpayers or businesses throughout this~~
12 ~~Commonwealth.~~

13 ~~(2) It is in the public interest for the General~~
14 ~~Assembly to:~~

15 ~~(i) Encourage private employers to permit an~~
16 ~~employee volunteer to leave work in response to an~~
17 ~~emergency call in the employee's capacity as a member of~~
18 ~~a volunteer emergency service organization, with the~~
19 ~~option of pay and no loss of time or efficiency rating,~~
20 ~~by providing a tax credit to the employer for the period~~
21 ~~during which the employee volunteer is absent from work~~
22 ~~because of the employee volunteer's response to an~~
23 ~~emergency call, provided that the employee is in~~
24 ~~compliance with a prearranged, preapproved release policy~~
25 ~~of the employer.~~

26 ~~(ii) Encourage private employers to permit an~~
27 ~~employee volunteer to take a paid leave of absence at the~~
28 ~~request of the chief executive officer of the volunteer~~
29 ~~emergency service organization to which the employee~~
30 ~~volunteer belongs in order to participate in emergency~~

1 ~~service training by providing a tax credit to the~~
2 ~~employer for a period of no more than five days per year~~
3 ~~during which the employee volunteer is participating in~~
4 ~~emergency service training, provided the employee is in~~
5 ~~compliance with a prearranged, preapproved release policy~~
6 ~~of the employer.~~

7 ~~(iii) Authorize the Commonwealth and its political~~
8 ~~subdivisions to permit an employee volunteer to leave~~
9 ~~work in response to an emergency call, with or without~~
10 ~~pay and no loss of time or efficiency rating.~~

11 AMENDING THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), ENTITLED "AN <--
12 ACT RELATING TO TAX REFORM AND STATE TAXATION BY CODIFYING
13 AND ENUMERATING CERTAIN SUBJECTS OF TAXATION AND IMPOSING
14 TAXES THEREON; PROVIDING PROCEDURES FOR THE PAYMENT,
15 COLLECTION, ADMINISTRATION AND ENFORCEMENT THEREOF; PROVIDING
16 FOR TAX CREDITS IN CERTAIN CASES; CONFERRING POWERS AND
17 IMPOSING DUTIES UPON THE DEPARTMENT OF REVENUE, CERTAIN
18 EMPLOYERS, FIDUCIARIES, INDIVIDUALS, PERSONS, CORPORATIONS
19 AND OTHER ENTITIES; PRESCRIBING CRIMES, OFFENSES AND
20 PENALTIES," PROVIDING FOR VOLUNTEER EMERGENCY RESPONDERS
21 EMPLOYER TAX CREDIT.

22 The General Assembly of the Commonwealth of Pennsylvania
23 hereby enacts as follows:

24 ~~Section 1. Subchapter C of Chapter 74 of Title 35 of the~~ <--
25 ~~Pennsylvania Consolidated Statutes is repealed:~~

26 ~~SUBCHAPTER C~~

27 ~~EMPLOYMENT SANCTIONS~~

28 ~~Sec.~~

29 ~~7421. Scope of subchapter.~~

30 ~~7422. Definitions.~~

31 ~~7423. Prohibition on termination and discipline.~~

32 ~~7424. Prohibition on discrimination.~~

33 ~~7425. Lost time.~~

34 ~~7426. Statements.~~

35 ~~7427. Violations.~~

1 ~~§ 7421. Scope of subchapter.~~

2 ~~This subchapter relates to employment sanctions.~~

3 ~~§ 7422. Definitions.~~

4 ~~The following words and phrases when used in this subchapter~~
5 ~~shall have the meanings given to them in this section unless the~~
6 ~~context clearly indicates otherwise:~~

7 ~~"Discipline." The taking of an action against an employee~~
8 ~~which adversely affects his regular pay to an extent greater~~
9 ~~than permitted by section 7425 (relating to lost time), his job~~
10 ~~status, his opportunity for promotion or his right to any~~
11 ~~benefit granted by the employer to other similarly situated~~
12 ~~employees.~~

13 ~~"Discriminate." To discharge or to discipline in a manner~~
14 ~~inconsistent with the employer's treatment of other similarly~~
15 ~~situated employees who are injured in the course of their~~
16 ~~employment or related activities.~~

17 ~~"Employer." An individual, partnership, association,~~
18 ~~corporation, business trust or a person or group of persons~~
19 ~~acting directly or indirectly in the interest of an employer in~~
20 ~~relation to any employee.~~

21 ~~"Line of duty." Going to, coming from or during fire~~
22 ~~prevention and safety activities which includes fire prevention,~~
23 ~~first aid, rescue and salvage, ambulance service, fire police~~
24 ~~work, assistance at accidents, control of crowds both on the~~
25 ~~fire grounds and at occasions of public or general assembly,~~
26 ~~animal rescue, abatement of conditions due to storm, flood or~~
27 ~~general peril, abatement or removal of hazards to safety and~~
28 ~~other activities as are commonly undertaken by fire companies,~~
29 ~~ambulance services or rescue squads or their affiliated~~
30 ~~organizations.~~

1 ~~§ 7423. Prohibition on termination and discipline.~~

2 ~~No employer shall terminate or discipline an employee who is~~
3 ~~a volunteer fireman, a volunteer member of the fire police or a~~
4 ~~volunteer member of an ambulance service or rescue squad and, in~~
5 ~~the line of duty, has responded to a call prior to the time he~~
6 ~~was due to report for work resulting in a loss of time from his~~
7 ~~employment.~~

8 ~~§ 7424. Prohibition on discrimination.~~

9 ~~No employer shall discriminate against an employee because~~
10 ~~the employee has been injured in the line of duty as a volunteer~~
11 ~~fireman, a volunteer member of the fire police or a volunteer~~
12 ~~member of an ambulance service or rescue squad, nor shall an~~
13 ~~employer discriminate against an employee injured in the line of~~
14 ~~duty as a volunteer fireman, a volunteer member of the fire~~
15 ~~police or a volunteer member of an ambulance service or rescue~~
16 ~~squad who subsequently returns to work after receiving workers'~~
17 ~~compensation benefits under the act of June 2, 1915 (P.L.736,~~
18 ~~No.338), known as the Workers' Compensation Act.~~

19 ~~§ 7425. Lost time.~~

20 ~~Time lost from employment as provided in section 7423~~
21 ~~(relating to prohibition on termination and discipline) may be~~
22 ~~charged to the regular pay of the employee.~~

23 ~~§ 7426. Statements.~~

24 ~~An employee losing time as provided in section 7423 (relating~~
25 ~~to prohibition on termination and discipline) shall supply his~~
26 ~~employer with a statement from the chief executive officer of~~
27 ~~his volunteer fire company, ambulance service or rescue squad or~~
28 ~~its affiliated organization stating that he responded to a call~~
29 ~~and the time of the call.~~

30 ~~§ 7427. Violations.~~

1 ~~(a) Employers. An employer who willfully and knowingly~~
2 ~~violates this subchapter shall be required to revoke a~~
3 ~~disciplinary action and any penalty attached thereto or to~~
4 ~~reinstate such employee to his former position and shall be~~
5 ~~required to pay the employee all lost wages and benefits for the~~
6 ~~period between termination and reinstatement and reasonable~~
7 ~~attorney fees incurred in an action to recover lost wages and~~
8 ~~benefits.~~

9 ~~(b) Statute of limitations. An action to enforce this~~
10 ~~subchapter shall be commenced within two years of the date of~~
11 ~~violation, and the action shall be commenced in the court of~~
12 ~~common pleas of the county in which the employer is located.]~~

13 Section 2. Title 35 is amended by adding a chapter to read:

14 ~~CHAPTER 74A~~

15 ~~VOLUNTEER EMERGENCY RESPONDERS EMPLOYER TAX CREDIT~~

16 ~~Subchapter~~

17 ~~A. Preliminary Provisions~~

18 ~~B. Private Sector Incentives~~

19 ~~C. Public Sector Incentives~~

20 ~~SUBCHAPTER A~~

21 ~~PRELIMINARY PROVISIONS~~

22 ~~Sec.~~

23 ~~74A01. Scope of chapter.~~

24 ~~74A02. Definitions.~~

25 ~~74A03. Employment discrimination prohibited.~~

26 ~~§ 74A01. Scope of chapter.~~

27 ~~This chapter relates to volunteer emergency responders~~
28 ~~employer tax credit.~~

29 ~~§ 74A02. Definitions.~~

30 ~~The following words and phrases when used in this chapter~~

1 ~~shall have the meanings given to them in this section unless the~~
2 ~~context clearly indicates otherwise:~~

3 ~~"Commonwealth." A department, agency, board, commission or~~
4 ~~instrumentality of State government.~~

5 ~~"Department." The Department of Community and Economic~~
6 ~~Development of the Commonwealth.~~

7 ~~"Discipline." To take action against an employee which~~
8 ~~adversely affects the employee's regular pay to an extent not~~
9 ~~provided for in this chapter, the employee's job status or~~
10 ~~opportunity for promotion or the employee's right to any benefit~~
11 ~~granted by the employer to other similarly situated employees.~~

12 ~~"Discriminate." To discharge or to discipline in a manner~~
13 ~~inconsistent with the employer's treatment of other similarly~~
14 ~~situated employees who are injured in the course of employment~~
15 ~~or related activities.~~

16 ~~"Employee volunteer." A member of a volunteer emergency~~
17 ~~service organization who is in the employ of the Commonwealth, a~~
18 ~~political subdivision or a private employer.~~

19 ~~"Employer." An individual, partnership, association,~~
20 ~~corporation, business trust or a person or group of persons who~~
21 ~~controls and directs a worker under an express or implied~~
22 ~~contract of hire and who pays the worker's salary or wages. The~~
23 ~~term includes the Commonwealth and its political subdivisions.~~

24 ~~"Line of duty." Going to, coming from or during fire~~
25 ~~prevention and safety activities, which include fire prevention,~~
26 ~~first aid, rescue and salvage, ambulance service, fire police~~
27 ~~work, assistance at accidents, control of crowds both on the~~
28 ~~fire grounds and at occasions of public or general assembly,~~
29 ~~animal rescue, abatement of conditions due to storm, flood or~~
30 ~~general peril, abatement or removal of hazards to safety and~~

1 ~~other activities as are commonly undertaken by fire companies,~~
2 ~~ambulance services or rescue squads or affiliated organizations.~~

3 ~~"Pass through entity." A partnership as defined in section~~
4 ~~301(n.0) of the act of March 4, 1971 (P.L.6, No.2), known as the~~
5 ~~Tax Reform Code of 1971, or a Pennsylvania S corporation as~~
6 ~~defined in section 301(n.1) of the Tax Reform Code of 1971.~~

7 ~~"Political subdivision." A county, city, borough,~~
8 ~~incorporated town, township, home rule municipality, school~~
9 ~~district or municipal authority.~~

10 ~~"Qualified tax liability." The liability for taxes imposed~~
11 ~~under Article III, IV, VI, VII, VIII, IX or XV of the Tax Reform~~
12 ~~Code of 1971. The term does not include a tax withheld by an~~
13 ~~employer from an employee under Article III of the Tax Reform~~
14 ~~Code of 1971.~~

15 ~~"Tax credit." The volunteer emergency responders employer~~
16 ~~tax credit established under section 74A11 (relating to~~
17 ~~volunteer emergency responders employer tax credit).~~

18 ~~"Taxpayer." An entity that is subject to a tax imposed under~~
19 ~~Article III, IV, VI, VII, VIII, IX or XV of the Tax Reform Code~~
20 ~~of 1971. The term does not include a tax withheld by an employer~~
21 ~~from an employee under Article III of the Tax Reform Code of~~
22 ~~1971.~~

23 ~~"Volunteer ambulance service." A nonprofit chartered~~
24 ~~corporation, association or organization located in this~~
25 ~~Commonwealth, which is licensed by the Department of Health, is~~
26 ~~not associated or affiliated with a hospital and which is~~
27 ~~regularly engaged in the provision of emergency medical~~
28 ~~services, including basic life support or advanced life support~~
29 ~~services and utilizes advanced life support squad vehicles as~~
30 ~~defined in 28 Pa. Code § 1021.2 (relating to definitions). The~~

1 ~~term does not include a corporation, association or organization~~
2 ~~that is primarily engaged in the operation of invalid coaches~~
3 ~~which are intended for the routine transport of persons who are~~
4 ~~convalescent or otherwise nonambulatory and do not ordinarily~~
5 ~~require emergency medical treatment while in transit.~~

6 ~~"Volunteer emergency service organization." An organization~~
7 ~~which is a volunteer fire company, volunteer ambulance service,~~
8 ~~volunteer rescue company or volunteer hazardous material~~
9 ~~response team.~~

10 ~~"Volunteer fire company." A nonprofit chartered corporation,~~
11 ~~association or organization located in this Commonwealth which~~
12 ~~provides fire protection or rescue services and which may offer~~
13 ~~other voluntary emergency services within this Commonwealth.~~
14 ~~Voluntary emergency services provided by a volunteer fire~~
15 ~~company may include voluntary ambulance and voluntary rescue~~
16 ~~services.~~

17 ~~"Volunteer hazardous material response team." A nonprofit~~
18 ~~chartered corporation, association or organization located in~~
19 ~~this Commonwealth whose members are certified and organized to~~
20 ~~provide emergency response services to mitigate actual or~~
21 ~~potential immediate threats to public health and the environment~~
22 ~~in response to the release or threat of a release of a hazardous~~
23 ~~material. The term includes teams certified to perform~~
24 ~~stabilization actions needed to remove threats to public health~~
25 ~~and the environment from hazardous material releases.~~

26 ~~"Volunteer rescue company." A nonprofit chartered~~
27 ~~corporation, association or organization located in this~~
28 ~~Commonwealth which provides rescue service in this Commonwealth.~~
29 ~~§ 74A03. Employment discrimination prohibited.~~

30 ~~(a) General rule. It is unlawful for an employer to refuse~~

1 ~~to hire or employ an individual because the individual is a~~
2 ~~member of a volunteer emergency service organization.~~

3 ~~(b) Prohibition on discipline and discrimination for time~~
4 ~~lost.~~

5 ~~(1) It is unlawful for an employer to discipline or~~
6 ~~discriminate or to discharge from employment an employee~~
7 ~~volunteer with respect to base salary, hire, tenure, terms,~~
8 ~~conditions or privileges of employment for the reason that~~
9 ~~the employee volunteer responded to an emergency call prior~~
10 ~~to the time the employee volunteer was due to report to work,~~
11 ~~resulting in loss of time from employment, if the employee~~
12 ~~volunteer satisfies the requirements of paragraph (2).~~

13 ~~(2) An employee volunteer who loses time for reasons~~
14 ~~specified in this section shall immediately upon arriving at~~
15 ~~work inform the employee volunteer's employer or immediate~~
16 ~~supervisor that the employee volunteer has been called to~~
17 ~~respond to an emergency. The employee volunteer losing time~~
18 ~~as provided for under this chapter shall supply the employee~~
19 ~~volunteer's employer with a statement from the chief~~
20 ~~executive officer of the volunteer emergency service~~
21 ~~organization for which the employee volunteer volunteers~~
22 ~~stating that employee volunteer responded to a call and the~~
23 ~~time of the call.~~

24 ~~(3) If an employee volunteer is employed by a private~~
25 ~~employer, any time lost from employment may be charged~~
26 ~~against the employee volunteer's regular salary or wages or~~
27 ~~the private employer may apply for the tax credits provided~~
28 ~~under section 74A11(a) (relating to volunteer responders~~
29 ~~employer tax credit).~~

30 ~~(4) If an employee volunteer is employed by the~~

~~Commonwealth or a political subdivision, payment of salary or wages for time lost from employment shall be based on a policy adopted by the Commonwealth or the political subdivision.~~

~~(c) Discrimination because of injury. It is unlawful for an employer to discipline or to discharge from employment or to otherwise discriminate against an employee volunteer with respect to hiring, compensation, tenure, terms, conditions or privileges of employment because the employee volunteer has been injured in the line of duty and has subsequently returned to work, regardless of whether the employee volunteer received any workers' compensation benefits under the act of June 2, 1915 (P.L.736, No.338), known as the Workers' Compensation Act.~~

~~(d) Legal action. An employer who willfully and knowingly violates the provisions of this chapter shall:~~

~~(1) Revoke disciplinary action or penalty imposed against an employee volunteer or reinstate the employee volunteer to his or her former position.~~

~~(2) Pay the employee volunteer all lost wages and benefits for the period between termination and reinstatement and reasonable attorney fees which are incurred in an action to recover lost wages and benefits.~~

~~(e) Period of limitations. An action to enforce the provisions of this chapter shall be commenced within a period of two years from the date of violation, and the action shall be commenced in the court of common pleas of the county in which the employer is located.~~

~~SUBCHAPTER B~~

~~PRIVATE SECTOR INCENTIVES~~

~~Sec.~~

1 ~~74A11. Volunteer emergency responders employer tax credit.~~

2 ~~74A12. Application for tax credit.~~

3 ~~74A13. Review and approval.~~

4 ~~74A14. Limitations.~~

5 ~~74A15. Shareholder, owner or member pass through.~~

6 ~~74A16. Guidelines.~~

7 ~~74A17. Applicability.~~

8 ~~74A18. Reports.~~

9 ~~§ 74A11. Volunteer emergency responders employer tax credit.~~

10 ~~(a) Eligibility. A taxpayer that is an employer shall be~~
11 ~~eligible to receive a tax credit against qualified tax liability~~
12 ~~if the taxpayer permits an employee volunteer to take a paid~~
13 ~~leave of absence for any of the following:~~

14 ~~(1) In response to an emergency call or to respond to an~~
15 ~~emergency call prior to the start of work.~~

16 ~~(2) At the written request of the chief executive~~
17 ~~officer of the volunteer emergency service organization in~~
18 ~~order to participate as a student or instructor in training~~
19 ~~appropriate to the volunteer emergency services organization.~~

20 ~~(b) Official notice required.~~

21 ~~(1) In order to qualify for the paid leave of absence as~~
22 ~~provided for in subsection (a)(1), the employee volunteer~~
23 ~~shall provide notice that the employee volunteer has been~~
24 ~~called to respond to an emergency or provide notice that~~
25 ~~employee volunteer responded to a call and the time of the~~
26 ~~call and request that a leave of absence be granted.~~

27 ~~(2) In order to qualify for the paid leave of absence as~~
28 ~~provided for in subsection (a)(2), the employee volunteer~~
29 ~~shall provide the employer, within 14 days of the scheduled~~
30 ~~training, a signed statement from the chief executive officer~~

~~of the volunteer emergency service organization that includes the reason and amount of time needed for the employee volunteer to complete the training along with a request that a leave of absence be granted.~~

~~§ 74A12. Application for tax credit.~~

~~A taxpayer may apply to the department for a tax credit certificate under this section. The application must be on a form required by the department and shall include all of the following information:~~

~~(1) The name and address of the taxpayer.~~

~~(2) Documentation of the following for each eligible employee volunteer in which a tax credit is being claimed:~~

~~(i) Name and address of the employee volunteer.~~

~~(ii) Total wages paid by the taxpayer to the employee volunteer.~~

~~(iii) Wages paid by the taxpayer to the employee volunteer paid under section 74A11(a) (relating to volunteer responders employer tax credit).~~

~~(iv) Documentation as required by section 74A11(a)~~

~~(2) or (b).~~

~~(3) Any other information required by the department.~~

~~§ 74A13. Review and approval.~~

~~(a) Duties. The department shall do all of the following:~~

~~(1) Review and approve applications according to the order applications are received and the availability of tax credits.~~

~~(2) Notify the applicant within 30 days of receipt of the application of its determination.~~

~~(b) Issuance. If an application is approved, the department shall issue the taxpayer a tax credit certificate within 15 days~~

1 ~~of the approval.~~

2 ~~§ 74A14. Limitations.~~

3 ~~(a) Amount. A tax credit certificate issued under this~~
4 ~~section may not exceed 50% of a taxpayer's qualified tax~~
5 ~~liability.~~

6 ~~(b) Prohibition. In granting tax credits under this~~
7 ~~chapter, the department may not do any of the following:~~

8 ~~(1) Grant more than \$5,000,000 in tax credit~~
9 ~~certificates in any fiscal year.~~

10 ~~(2) Grant more than \$10,000 in tax credit certificates~~
11 ~~to a single taxpayer in any fiscal year.~~

12 ~~(c) Unused credits. A taxpayer may not be entitled to carry~~
13 ~~forward, carry back or obtain a refund of the unused tax credit.~~

14 ~~(d) Sale or reassignment. A tax credit may not be sold or~~
15 ~~reassigned.~~

16 ~~§ 74A15. Shareholder, owner or member pass through.~~

17 ~~(a) Shareholder entitlement. If a Pennsylvania S~~
18 ~~corporation does not have an eligible tax liability against~~
19 ~~which the tax credit may be applied, a shareholder of the~~
20 ~~Pennsylvania S corporation shall be entitled to a tax credit~~
21 ~~equal to the tax credit determined for the Pennsylvania S~~
22 ~~corporation for the taxable year multiplied by the percentage of~~
23 ~~the Pennsylvania S corporation's distributive income to which~~
24 ~~the shareholder is entitled.~~

25 ~~(b) Pass through entity entitlement. If a pass through~~
26 ~~entity other than a Pennsylvania S corporation does not have tax~~
27 ~~liability against which the tax credit may be applied, an owner~~
28 ~~or member of the pass through entity shall be entitled to a tax~~
29 ~~credit equal to the tax credit determined for the pass through~~
30 ~~entity for the taxable year multiplied by the percentage of the~~

1 ~~pass through entity's distributive income to which the owner or~~
2 ~~member is entitled.~~

3 ~~(c) Additional credit.~~

4 ~~(1) Except as provided under paragraph (2), the tax~~
5 ~~credit provided under subsection (a) or (b) shall be in~~
6 ~~addition to any other tax credit to which a shareholder,~~
7 ~~owner or member of a pass through entity is otherwise~~
8 ~~entitled under this chapter.~~

9 ~~(2) A pass through entity and a shareholder, owner or~~
10 ~~member of a pass through entity may not claim a tax credit~~
11 ~~under this chapter for the same employee volunteer.~~

12 ~~§ 74A16. Guidelines.~~

13 ~~The department, in conjunction with the Department of~~
14 ~~Revenue, shall develop written guidelines necessary for the~~
15 ~~implementation and administration of this chapter. The~~
16 ~~guidelines shall be posted on the department's publicly~~
17 ~~accessible Internet website.~~

18 ~~§ 74A17. Applicability.~~

19 ~~This chapter shall apply to taxable years beginning after~~
20 ~~December 31, 2019.~~

21 ~~§ 74A18. Reports.~~

22 ~~No later than June 1, 2021, and each June 1 thereafter, the~~
23 ~~department shall submit a report on the effectiveness of the tax~~
24 ~~credits granted under this chapter. The report shall include the~~
25 ~~names of taxpayers who were issued tax credits as of the date of~~
26 ~~the report. The report may include recommendations for changes~~
27 ~~in the calculation or administration of the tax credits and~~
28 ~~other information as the department deems appropriate. The~~
29 ~~report shall be submitted to all of the following:~~

30 ~~(1) The chairperson and minority chairperson of the~~

1 ~~Appropriations Committee of the Senate.~~

2 ~~(2) The chairperson and minority chairperson of the~~
3 ~~Finance Committee of the Senate.~~

4 ~~(3) The chairperson and minority chairperson of the~~
5 ~~Appropriations Committee of the House of Representatives.~~

6 ~~(4) The chairperson and the minority chairperson of the~~
7 ~~Finance Committee of the House of Representatives.~~

8 SUBCHAPTER C

9 PUBLIC SECTOR INCENTIVES

10 Sec.

11 ~~74A21. Emergency response leave of absence.~~

12 ~~§ 74A21. Emergency response leave of absence.~~

13 ~~(a) Optional paid leave. An officer or employee of the~~
14 ~~Commonwealth or a political subdivision who is an employee~~
15 ~~volunteer may be entitled to leave work in response to an~~
16 ~~emergency call without loss of pay, time or efficiency, subject~~
17 ~~to the terms and conditions of a policy adopted by the~~
18 ~~Commonwealth or political subdivision.~~

19 ~~(b) Official notice required. In order to qualify for the~~
20 ~~paid leave as provided for in subsection (a), the employee~~
21 ~~volunteer shall:~~

22 ~~(1) Inform his or her employer or immediate supervisor~~
23 ~~that the employee volunteer has been called to respond to an~~
24 ~~emergency and request that a leave of absence be granted.~~

25 ~~(2) Supply his or her employer with a statement from the~~
26 ~~chief executive officer of the emergency service organization~~
27 ~~stating that he or she responded to a call and the time of~~
28 ~~the call.~~

29 SECTION 1. THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS <--
30 THE TAX REFORM CODE OF 1971, IS AMENDED BY ADDING AN ARTICLE TO

1 READ:

2 ARTICLE XVII-L

3 VOLUNTEER EMERGENCY RESPONDERS EMPLOYER TAX CREDIT

4 SECTION 1701-L. SCOPE OF ARTICLE.

5 THIS ARTICLE RELATES TO THE VOLUNTEER RESPONDERS EMPLOYER TAX
6 CREDIT.

7 SECTION 1702-L. 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 COMMUNITY AND ECONOMIC
12 DEVELOPMENT OF THE COMMONWEALTH.

13 "LINE OF DUTY." GOING TO, COMING FROM OR DURING FIRE
14 PREVENTION AND SAFETY ACTIVITIES, INCLUDING FIRE PREVENTION,
15 FIRST AID, RESCUE AND SALVAGE, AMBULANCE SERVICE, FIRE POLICE
16 WORK, ASSISTANCE AT ACCIDENTS, CONTROL OF CROWDS BOTH ON THE
17 FIRE GROUNDS AND AT OCCASIONS OF PUBLIC OR GENERAL ASSEMBLY,
18 ANIMAL RESCUE, ABATEMENT OF CONDITIONS DUE TO STORM, FLOOD OR
19 GENERAL PERIL, ABATEMENT OR REMOVAL OF HAZARDS TO SAFETY AND
20 OTHER ACTIVITIES AS ARE COMMONLY UNDERTAKEN BY FIRE COMPANIES,
21 AMBULANCE SERVICES OR RESCUE SQUADS OR AFFILIATED ORGANIZATIONS.

22 "QUALIFIED TAX LIABILITY." THE LIABILITY FOR TAXES IMPOSED
23 UNDER ARTICLE III, IV, VI, VII, VIII, IX OR XV. THE TERM SHALL
24 NOT INCLUDE TAX WITHHELD BY AN EMPLOYER FROM AN EMPLOYEE UNDER
25 ARTICLE III.

26 "TAX CREDIT." THE VOLUNTEER EMERGENCY RESPONDERS EMPLOYER
27 TAX CREDIT PROVIDED UNDER THIS ARTICLE.

28 "TAXPAYER." A PERSON THAT HAS A QUALIFIED TAX LIABILITY AS
29 DEFINED IN THIS ARTICLE.

30 "VOLUNTEER EMERGENCY RESPONDER." A MEMBER OF A VOLUNTEER

1 EMERGENCY SERVICE ORGANIZATION WHO IS IN THE EMPLOY OF THE
2 COMMONWEALTH, A POLITICAL SUBDIVISION OR AN EMPLOYER.

3 "VOLUNTEER EMERGENCY SERVICE ORGANIZATION." AN ORGANIZATION
4 THAT IS A VOLUNTEER FIRE COMPANY, VOLUNTEER AMBULANCE SERVICE OR
5 VOLUNTEER RESCUE COMPANY, AS THOSE TERMS ARE DEFINED IN 35
6 PA.C.S. (RELATING TO HEALTH AND SAFETY), OR VOLUNTEER HAZARDOUS
7 MATERIAL RESPONSE TEAM.

8 SECTION 1703-L. VOLUNTEER RESPONDERS EMPLOYER TAX CREDIT.

9 (A) APPLICATION.--A TAXPAYER MAY APPLY TO THE DEPARTMENT FOR
10 A TAX CREDIT UNDER THIS SECTION. THE APPLICATION SHALL BE
11 SUBMITTED ON THE FORM REQUIRED BY THE DEPARTMENT AND SHALL
12 INCLUDE ALL OF THE FOLLOWING INFORMATION:

13 (1) THE NAME AND ADDRESS OF THE TAXPAYER.

14 (2) DOCUMENTATION OF THE FOLLOWING FOR EACH ELIGIBLE
15 VOLUNTEER EMERGENCY RESPONDER IN WHICH A TAX CREDIT IS BEING
16 CLAIMED:

17 (I) THE NAME OF THE VOLUNTEER EMERGENCY RESPONDER;

18 (II) THE ADDRESS OF THE VOLUNTEER EMERGENCY
19 RESPONDER;

20 (III) THE NUMBER OF HOURS THE VOLUNTEER EMERGENCY
21 RESPONDER MISSED WORK DUE TO SERVING IN THE LINE OF DUTY;

22 AND

23 (IV) THE AMOUNT OF WAGES PAID TO THE VOLUNTEER
24 EMERGENCY RESPONDER DURING MISSED WORK DUE TO SERVING IN
25 THE LINE OF DUTY.

26 (3) ANY OTHER INFORMATION REQUIRED BY THE DEPARTMENT.

27 (B) REVIEW AND APPROVAL.--THE DEPARTMENT SHALL:

28 (1) REVIEW AND APPROVE APPLICATIONS ACCORDING TO THE
29 ORDER APPLICATIONS ARE RECEIVED AND THE AVAILABILITY OF TAX
30 CREDITS.

1 (2) NOTIFY AN APPLICANT WITHIN 30 DAYS OF RECEIPT OF THE
2 APPLICATION OF THE DEPARTMENT'S DETERMINATION.

3 (C) CERTIFICATE.--UPON APPROVAL OF AN APPLICATION, THE
4 DEPARTMENT SHALL AWARD THE TAXPAYER A TAX CREDIT TO BE USED
5 AGAINST QUALIFIED TAX LIABILITIES IN ACCORDANCE WITH THIS
6 ARTICLE AND ISSUE THE RECIPIENT A TAX CREDIT CERTIFICATE.
7 SECTION 1704-L. LIMITATIONS.

8 (A) AMOUNT.--A TAX CREDIT CERTIFICATE ISSUED UNDER THIS
9 SECTION SHALL EQUAL THE LEAST OF THE SUM OF WAGES PAID TO ALL
10 THE TAXPAYER'S VOLUNTEER EMERGENCY RESPONDERS DURING THE TAXABLE
11 YEAR IN WHICH THE TAX CREDIT IS BEING SOUGHT, 20% OF A
12 TAXPAYER'S QUALIFIED TAX LIABILITY OR \$10,000.

13 (B) PROHIBITION.--IN GRANTING TAX CREDITS, THE DEPARTMENT
14 MAY NOT GRANT MORE THAN \$5,000,000 IN TAX CREDIT CERTIFICATES IN
15 A FISCAL YEAR.

16 SECTION 1705-L. CARRYOVER, CARRYBACK AND SALE OR ASSIGNMENT OF
17 TAX CREDIT.

18 (A) GENERAL RULE.--IF THE TAXPAYER CANNOT USE THE ENTIRE
19 AMOUNT OF THE TAX CREDIT FOR THE TAXABLE YEAR IN WHICH THE
20 TAXPAYER IS ELIGIBLE FOR THE CREDIT, THE EXCESS MAY BE CARRIED
21 OVER TO SUCCEEDING TAXABLE YEARS AND USED AS A CREDIT AGAINST
22 THE QUALIFIED TAX LIABILITY OF THE TAXPAYER FOR THOSE TAXABLE
23 YEARS. EACH TIME THE TAX CREDIT IS CARRIED OVER TO A SUCCEEDING
24 TAXABLE YEAR, IT SHALL BE REDUCED BY THE AMOUNT THAT WAS USED AS
25 A CREDIT DURING THE IMMEDIATELY PRECEDING TAXABLE YEAR. THE TAX
26 CREDIT PROVIDED BY THIS ARTICLE MAY BE CARRIED OVER AND APPLIED
27 TO SUCCEEDING TAXABLE YEARS FOR NO MORE THAN ONE TAXABLE YEAR
28 FOLLOWING THE FIRST TAXABLE YEAR FOR WHICH THE TAXPAYER WAS
29 ENTITLED TO CLAIM THE CREDIT.

30 (B) APPLICATION.--A TAX CREDIT APPROVED BY THE DEPARTMENT IN

1 A TAXABLE YEAR SHALL FIRST BE APPLIED AGAINST THE TAXPAYER'S
2 QUALIFIED LIABILITY FOR THE CURRENT TAXABLE YEAR AS OF THE DATE
3 ON WHICH THE CREDIT WAS APPROVED BEFORE THE TAX CREDIT CAN BE
4 APPLIED AGAINST ANY TAX LIABILITY UNDER SUBSECTION (A).

5 (C) LIMITATIONS.--A TAXPAYER IS NOT ENTITLED TO CARRY BACK,
6 OBTAIN A REFUND OF, SELL OR ASSIGN AN UNUSED TAX CREDIT.
7 SECTION 1706-L. DEPARTMENT DUTIES.

8 (A) GUIDELINES.--THE DEPARTMENT SHALL DEVELOP WRITTEN
9 GUIDELINES NECESSARY FOR THE IMPLEMENTATION AND ADMINISTRATION
10 OF THIS ARTICLE. THE GUIDELINES SHALL BE POSTED ON THE
11 DEPARTMENT'S PUBLICLY ACCESSIBLE INTERNET WEBSITE.

12 (B) REPORT TO GENERAL ASSEMBLY.--

13 (1) NO LATER THAN JUNE 1, 2021, AND EACH JUNE 1
14 THEREAFTER, THE DEPARTMENT SHALL SUBMIT A REPORT ON THE
15 EFFECTIVENESS OF THE TAX CREDITS GRANTED UNDER THIS ARTICLE.
16 THE REPORT SHALL INCLUDE THE NAMES OF TAXPAYERS WHO WERE
17 ISSUED TAX CREDITS AS OF THE DATE OF THE REPORT. THE REPORT
18 MAY INCLUDE RECOMMENDATIONS FOR CHANGES IN THE CALCULATION OR
19 ADMINISTRATION OF THE TAX CREDITS AND OTHER INFORMATION AS
20 THE DEPARTMENT DEEMS APPROPRIATE.

21 (2) THE REPORT SHALL BE SUBMITTED TO ALL OF THE
22 FOLLOWING:

23 (I) THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE
24 APPROPRIATIONS COMMITTEE OF THE SENATE.

25 (II) THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE
26 FINANCE COMMITTEE OF THE SENATE.

27 (III) THE CHAIRPERSON AND MINORITY CHAIRPERSON OF
28 THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF
29 REPRESENTATIVES.

30 (IV) THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE

1 FINANCE COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

2 SECTION 1707-L. APPLICABILITY.

3 THIS ARTICLE SHALL APPLY TO TAXABLE YEARS BEGINNING AFTER
4 DECEMBER 31, 2019.

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

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