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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1648 Session of  
2019

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INTRODUCED BY WHEATLEY, ROZZI, HILL-EVANS, KULIK, LONGIETTI,  
ULLMAN, YOUNGBLOOD, READSHAW, CIRESI, SCHLOSSBERG, MURT,  
CALTAGIRONE, McCLINTON AND MADDEN, JUNE 18, 2019

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REFERRED TO COMMITTEE ON FINANCE, JUNE 18, 2019

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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 a teacher tax credit.

11 The General Assembly of the Commonwealth of Pennsylvania  
12 hereby enacts as follows:

13 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as  
14 the Tax Reform Code of 1971, is amended by adding an article to  
15 read:

16 ARTICLE XVII-B.1

17 TEACHER TAX CREDIT

18 Section 1701-B.1. Scope of article.

19 This article relates to teacher tax credits.

20 Section 1702-B.1. Definitions.

21 The following words and phrases when used in this article

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

3 "Certified teacher." A teacher who is certified by the  
4 Commonwealth and currently employed as a teacher.

5 "Classroom expenses and supplies." The term includes books,  
6 supplies, computers and related equipment, including related  
7 software and services, other equipment and any other  
8 supplementary materials used in the classroom which are not  
9 reimbursed.

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

11 "Tax credit." The teacher tax credit established under this  
12 article.

13 "Taxpayer." An individual subject to tax under Article III.  
14 Section 1703-B.1. Tax credit for teachers.

15 A taxpayer who is a certified teacher and incurs expenses for  
16 the purchase of classroom expenses and supplies in a taxable  
17 year may apply for a teacher tax credit as provided under this  
18 article.

19 Section 1704-B.1. Limitation on tax credits.

20 (a) Limit.--The total amount of tax credits approved by the  
21 department shall not exceed \$8,000,000 in any fiscal year.

22 (b) Amount of credit.--The amount of the tax credit may not  
23 exceed \$250 per applicant per tax year.

24 (c) Proportion of credit.--If the total amount of eligible  
25 classroom expenses and supplies in a taxable year exceeds  
26 \$8,000,000, the department shall equally divide the amount of  
27 the tax credit per applicant.

28 Section 1705-B.1. Application.

29 A taxpayer may apply for a tax credit in a manner prescribed  
30 by the department.

1 Section 1706-B.1. Administration.

2 (a) Audits and assessments.--The department has the  
3 following powers:

4 (1) To audit a taxpayer claiming a tax credit to  
5 ascertain the validity of the amount claimed.

6 (2) To issue an assessment against a taxpayer for an  
7 improperly issued tax credit. The procedures, collection,  
8 enforcement and appeals of any assessment made under this  
9 section shall be governed by Article II.

10 (b) Guidelines and regulations.--The department shall  
11 develop written guidelines for the implementation of this  
12 article. The guidelines shall be in effect until the department  
13 promulgates regulations for the implementation of the provisions  
14 of this article.

15 Section 1707-B.1. Unused tax credit.

16 A taxpayer may not carry back, obtain a refund of, sell or  
17 assign an unused tax credit.

18 Section 2. This act shall apply to taxable years beginning  
19 after December 31, 2018.

20 Section 3. This act shall take effect immediately.