

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2408 Session of 2020

INTRODUCED BY MARKOSEK, BURGOS, ULLMAN, SANCHEZ, WEBSTER, RAVENSTAHL, CALTAGIRONE, HANBIDGE, T. DAVIS, McNEILL, DELLOSO, O'MARA, HARKINS, HILL-EVANS, READSHAW, MULLINS, DONATUCCI, WARREN, BURNS, BOYLE, HOHENSTEIN, KORTZ, KOSIEROWSKI, BIZZARRO, KINSEY, GALLOWAY, SCHWEYER, SHUSTERMAN, HOWARD, GREEN, FRANKEL, CIRESI, HELM, MERSKI, GAINNEY AND MADDEN, APRIL 14, 2020

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, APRIL 29, 2020

AN ACT

1 Amending the act of April 9, 1929 (P.L.343, No.176), entitled
2 "An act relating to the finances of the State government;
3 providing for cancer control, prevention and research, for
4 ambulatory surgical center data collection, for the Joint
5 Underwriting Association, for entertainment business
6 financial management firms, for private dam financial
7 assurance and for reinstatement of item vetoes; providing for
8 the settlement, assessment, collection, and lien of taxes,
9 bonus, and all other accounts due the Commonwealth, the
10 collection and recovery of fees and other money or property
11 due or belonging to the Commonwealth, or any agency thereof,
12 including escheated property and the proceeds of its sale,
13 the custody and disbursement or other disposition of funds
14 and securities belonging to or in the possession of the
15 Commonwealth, and the settlement of claims against the
16 Commonwealth, the resettlement of accounts and appeals to the
17 courts, refunds of moneys erroneously paid to the
18 Commonwealth, auditing the accounts of the Commonwealth and
19 all agencies thereof, of all public officers collecting
20 moneys payable to the Commonwealth, or any agency thereof,
21 and all receipts of appropriations from the Commonwealth,
22 authorizing the Commonwealth to issue tax anticipation notes
23 to defray current expenses, implementing the provisions of
24 section 7(a) of Article VIII of the Constitution of
25 Pennsylvania authorizing and restricting the incurring of
26 certain debt and imposing penalties; affecting every
27 department, board, commission, and officer of the State
28 government, every political subdivision of the State, and

1 certain officers of such subdivisions, every person,
2 association, and corporation required to pay, assess, or
3 collect taxes, or to make returns or reports under the laws
4 imposing taxes for State purposes, or to pay license fees or
5 other moneys to the Commonwealth, or any agency thereof,
6 every State depository and every debtor or creditor of the
7 Commonwealth," in emergency finance and tax provisions,
8 providing for exemption from taxation AND FOR NONPROFIT <--
9 CORPORATIONS AND CHARITABLE TRUSTS.

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

12 Section 1. The act of April 9, 1929 (P.L.343, No.176), known
13 as The Fiscal Code, is amended by adding ~~a section~~ SECTIONS to <--
14 read:

15 Section 104-A. Exemption from taxation.

16 (A) PAYMENT.--A payment received by an individual from the <--
17 United States under section 2201 through the Coronavirus Aid, <--
18 Relief and Economic Security Act (Public Law 116-136) FEDERAL <--
19 CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (PUBLIC LAW
20 116-136, 134 STAT. 281) shall not be included in the income,
21 earned income or taxable income of the individual for the 2020
22 tax year for the purpose of any of the following:

23 (1) The act of December 31, 1965 (P.L.1257, No.511),
24 known as The Local Tax Enabling Act.

25 (2) Article III of the act of March 4, 1971 (P.L.6,
26 No.2), known as the Tax Reform Code of 1971.

27 (3) The act of June 27, 2006 (1st Sp.Sess., P.L.1873,
28 No.1), known as the Taxpayer Relief Act.

29 (B) LOAN FORGIVENESS.-- <--

30 (1) THIS SUBSECTION APPLIES TO A FORGIVENESS OF
31 INDEBTEDNESS GRANTED UNDER THE FEDERAL CORONAVIRUS AID,
32 RELIEF, AND ECONOMIC SECURITY ACT FOR A LOAN WHICH IS:

33 (I) GUARANTEED UNDER SECTION 7(A) OF THE SMALL
34 BUSINESS ACT (PUBLIC LAW 85-536, 15 U.S.C. § 636(A)); AND

1 (II) ISSUED BY AN AUTHORIZED LENDER TO ASSIST WITH
2 MAINTAINING PAYROLL COSTS DURING THE PERIOD BEGINNING
3 AFTER FEBRUARY 29, 2020, AND ENDING BEFORE JULY 1, 2020.

4 (2) THE AMOUNT OF FORGIVENESS UNDER PARAGRAPH (1) MUST
5 NOT EXCEED THE AMOUNT APPROVED BY THE AUTHORIZED LENDER THAT
6 ISSUED THE LOAN.

7 (3) FORGIVENESS UNDER THIS SUBSECTION SHALL NOT BE
8 INCLUDED IN THE INCOME, TAXABLE INCOME OR EARNED INCOME OF
9 THE PERSON GRANTED FORGIVENESS FOR A TAXABLE YEAR IN WHICH
10 FORGIVENESS IS GRANTED FOR THE PURPOSE OF THE FOLLOWING:

11 (I) THE LOCAL TAX ENABLING ACT.

12 (II) ARTICLE III OF THE TAX REFORM CODE OF 1971.

13 (III) ARTICLE IV OF THE TAX REFORM CODE OF 1971.

14 (IV) THE TAXPAYER RELIEF ACT.

15 SECTION 105-A. NONPROFIT CORPORATIONS AND CHARITABLE TRUSTS.

16 (A) SCOPE.--THIS SECTION APPLIES TO ALL OF THE FOLLOWING:

17 (1) A BOARD OF DIRECTORS OR OTHER BODY OF A NONPROFIT
18 CORPORATION INCORPORATED FOR CHARITABLE PURPOSES WHICH ELECTS
19 TO BE GOVERNED BY 15 PA.C.S. § 5548 (RELATING TO INVESTMENT
20 OF TRUST FUNDS).

21 (2) A TRUSTEE OF A CHARITABLE TRUST HELD EXCLUSIVELY FOR
22 CHARITABLE PURPOSES THAT ELECTS TO BE GOVERNED BY 20 PA.C.S.
23 § 8113 (RELATING TO CHARITABLE TRUSTS).

24 (B) TIME PERIOD.--THIS SECTION APPLIES TO:

25 (1) EACH CALENDAR YEAR DURING WHICH THE PROCLAMATION OF
26 DISASTER EMERGENCY ISSUED BY THE GOVERNOR ON MARCH 6, 2020,
27 PUBLISHED AT 50 PA.B. 1644 (MARCH 21, 2020), AND ANY RENEWAL
28 OF THE STATE OF DISASTER EMERGENCY, IS IN EFFECT; AND

29 (2) THE SUCCEEDING CALENDAR YEAR.

30 (C) NONPROFIT CORPORATIONS.--DURING THE TIME PERIOD

1 SPECIFIED IN SUBSECTION (B), A BOARD OR BODY UNDER SUBSECTION
2 (A) (1) SHALL DO ALL OF THE FOLLOWING:

3 (1) SELECT A PERCENTAGE OF THE VALUE OF THE ASSETS HELD
4 BY OR FOR THE CORPORATION WHICH:

5 (I) IS CONSISTENT WITH THE LONG-TERM PRESERVATION OF
6 THE REAL VALUE OF THE ASSETS; AND

7 (II) IS NOT LESS THAN 2% NOR MORE THAN 10% FOR THE
8 CALENDAR YEAR.

9 (2) MAINTAIN THE PERCENTAGE UNDER PARAGRAPH (1) AS PART
10 OF THE PERMANENT RECORDS OF THE CORPORATION.

11 (D) CHARITABLE TRUSTS.--DURING THE TIME PERIOD SPECIFIED IN
12 SUBSECTION (B), A TRUSTEE UNDER SUBSECTION (A) (2) SHALL DO ALL
13 OF THE FOLLOWING:

14 (1) SELECT A PERCENTAGE OF THE VALUE OF THE TRUST WHICH:

15 (I) IS CONSISTENT WITH THE LONG-TERM PRESERVATION OF
16 THE REAL VALUE OF THE PRINCIPAL OF THE TRUST; AND

17 (II) IS NOT LESS THAN 2% NOR MORE THAN 10% FOR THE
18 CALENDAR YEAR.

19 (2) MAINTAIN THE PERCENTAGE UNDER PARAGRAPH (1) AS PART
20 OF THE PERMANENT RECORDS OF THE TRUST.

21 (E) INCONSISTENCY.--IF THERE IS AN INCONSISTENCY BETWEEN
22 THIS SECTION AND ANOTHER STATUTORY PROVISION, THIS SECTION
23 GOVERNS.

24 Section 2. This act shall take effect immediately.