

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 74 Session of 2019

INTRODUCED BY MARTIN, AUMENT, COSTA, DINNIMAN, K. WARD, MENSCH, KILLION, REGAN, FONTANA AND BREWSTER, MARCH 4, 2019

REFERRED TO FINANCE, MARCH 4, 2019

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 pediatric cancer research tax
 11 credit.

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

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

17 ARTICLE XVII-L

18 PEDIATRIC CANCER RESEARCH TAX CREDIT

19 Section 1701-L. Scope of article.

20 This article relates to pediatric cancer research tax
 21 credits.

22 Section 1702-L. Definitions.

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

4 "Business firm." An entity authorized to do business in this
5 Commonwealth and subject to taxes imposed under Article III, IV,
6 VI, VII, VIII, IX or XV. The term includes a pass-through
7 entity.

8 "Contribution." A donation of cash.

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

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

13 "Pediatric cancer research institution." Any of the
14 following:

15 (1) The Center for Childhood Research at the Children's
16 Hospital of Philadelphia.

17 (2) Penn State Hershey Pediatric Hematology/Oncology.

18 (3) Abramson Cancer Center, Penn Medicine.

19 (4) The UPMC Children's Hospital of Pittsburgh.

20 "Tax credit." A tax credit for pediatric cancer research
21 authorized under this article.

22 Section 1703-L. Pediatric cancer research tax credit.

23 A tax credit shall be granted to a business firm that meets
24 the requirements under this article for the purposes of funding
25 pediatric cancer research in this Commonwealth.

26 Section 1704-L. Restriction on use of contributions.

27 The contributions received by a pediatric cancer research
28 center from a business firm claiming a tax credit must be used
29 exclusively for pediatric cancer research.

30 Section 1705-L. Availability of tax credits.

1 (a) Application.--A business firm may submit an application
2 to the department for a tax credit. A business firm may receive
3 a tax credit if a pediatric cancer research institution receives
4 a contribution from the business firm as determined by the
5 department and in accordance with this article.

6 (b) Tax credit availability.--Tax credits under this section
7 shall be made available by the department on a first-come,
8 first-served basis.

9 (c) Contributions.--A contribution by a business firm to a
10 pediatric cancer research center shall be made no later than 30
11 days after the business firm receives notice of the approval of
12 the application under section 1707-L(b).

13 Section 1706-L. Duties of department.

14 The department shall have the following duties:

15 (1) Promulgating regulations necessary to implement this
16 article.

17 (2) Creating and publishing forms upon which business
18 firms may apply for the tax credit under this article.

19 (3) Approving or disapproving applications submitted by
20 business firms and providing notice of the approval or
21 disapproval to applicants under section 1707-L(b).

22 (4) Granting tax credit certificates in accordance with
23 section 1708-L.

24 Section 1707-L. Procedures.

25 (a) Deadline for filing applications.--Applications for a
26 tax credit under this article shall be filed not later than
27 December 31.

28 (b) Notice.--

29 (1) The department shall notify the business firm
30 regarding the authorization of tax credits and its

1 determination, including the amount of the credit available.

2 (2) The department may return an incomplete application
3 to the business firm or request additional information,
4 documents or signatures from the business firm.

5 (c) Appeals.--Appeals from determinations made under
6 subsection (b) shall be made through the administrative
7 provisions of this act, applicable to the particular taxes
8 against which the business firm or its members, shareholders or
9 beneficiaries claim the tax credits.

10 Section 1708-L. Grant of tax credit certificates.

11 In accordance with section 1709-L(a), the department shall
12 grant a tax credit certificate to a business firm eligible to
13 receive a tax credit in accordance with this article. The
14 certificate may be used against a tax liability owed to the
15 department by a business firm that provides proof of a
16 contribution to a pediatric cancer research center in the
17 taxable year in which the contribution is made. The business
18 firm may apply the credit against any tax due under Article III,
19 IV, VI, VII, VIII, IX or XV, excluding any tax withheld by an
20 employer under Article III.

21 Section 1709-L. Amount of tax credits.

22 (a) General rule.--The total aggregate amount of all tax
23 credits approved shall not exceed \$10,000,000 in a fiscal year.
24 A tax credit may not be approved in excess of \$2,500,000 in a
25 fiscal year for contributions to any one pediatric cancer
26 research center.

27 (b) Activities.--No tax credit shall be approved for
28 activities that are part of a business firm's normal course of
29 business.

30 (c) Tax liability.--A tax credit granted for any one taxable

1 year may not exceed the tax liability of a business firm.

2 (d) Unused tax credits.--A tax credit not used in the
3 taxable year the contribution was made may not be carried
4 forward or carried back and may not be refundable or
5 transferable.

6 Section 1710-L. Limitation.

7 A business firm may not apply for a tax credit after the 10th
8 fiscal year after the effective date of this article.

9 Section 1711-L. Applicability.

10 This article shall apply to taxable years beginning after
11 December 31, 2019.

12 Section 2. This act shall take effect in 60 days.