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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 219 Session of  
2019

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INTRODUCED BY HUGHES, FONTANA, BREWSTER, SCHWANK, COSTA AND  
FARNESE, FEBRUARY 5, 2019

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REFERRED TO EDUCATION, FEBRUARY 5, 2019

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AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An  
2 act relating to the public school system, including certain  
3 provisions applicable as well to private and parochial  
4 schools; amending, revising, consolidating and changing the  
5 laws relating thereto," establishing the Health-Related  
6 Industries Educational Scholarship Program and the Health-  
7 Related Industries Educational Scholarship Program Fund.

8 The General Assembly of the Commonwealth of Pennsylvania  
9 hereby enacts as follows:

10 Section 1. The act of March 10, 1949 (P.L.30, No.14), known  
11 as the Public School Code of 1949, is amended by adding an  
12 article to read:

13 ARTICLE XXVI-J

14 HEALTH-RELATED INDUSTRIES

15 EDUCATIONAL SCHOLARSHIP PROGRAM

16 Section 2601-J. Definitions.

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

20 "Agency." The Pennsylvania Higher Education Assistance

1 Agency.

2 "Contribution." A donation of cash.

3 "Fund." The Health-Related Industries Educational  
4 Scholarship Program Fund established under section 2603-J.

5 "Health-related industry." An industry specializing in  
6 health-related services that is authorized to do business in  
7 this Commonwealth and subject to taxes imposed under Article  
8 III, IV, VI, VII, VIII, IX or XV of the Tax Reform Code of 1971  
9 or a tax under Article XVI of the act of May 17, 1921 (P.L.682,  
10 No.284), known as The Insurance Company Law of 1921. The term  
11 includes a pass-through entity.

12 "Pass-through entity." Any of the following that specializes  
13 in health-related services:

14 (1) A partnership as defined in section 301(n.0) of the  
15 Tax Reform Code of 1971.

16 (2) A single-member limited liability company treated as  
17 a disregarded entity for Federal income tax purposes.

18 (3) A Pennsylvania S corporation as defined in section  
19 301(n.1) of the Tax Reform Code of 1971.

20 "Program." The Health-Related Industries Educational  
21 Scholarship Program established under section 2602-J.

22 "Tax Reform Code of 1971." The act of March 4, 1971 (P.L.6,  
23 No.2), known as the Tax Reform Code of 1971.

24 Section 2602-J. Health-Related Industries Educational  
25 Scholarship Program.

26 (a) Establishment.--The Health-Related Industries  
27 Educational Scholarship Program is established in the  
28 Pennsylvania Higher Education Assistance Agency.

29 (b) Use of funds.--The agency may use moneys generated to  
30 provide grants for defraying the necessary expense of residents

1 of this Commonwealth who are eligible students pursuing an  
2 eligible course of study pertaining to health-related  
3 industries.

4 (c) Eligibility.--The agency shall determine and approve  
5 student eligibility and education provider eligibility  
6 requirements for the program. In addition to any other  
7 requirements of the agency, in order to be eligible for the  
8 program, a student must:

9 (1) complete the Free Application for Federal Student  
10 Aid (FAFSA);

11 (2) participate in an internship or other equivalent  
12 program with a health-related industry;

13 (3) maintain satisfactory academic progress;

14 (4) attend a college or university completion  
15 orientation or equivalent program; and

16 (5) perform no fewer than 10 hours of community service  
17 during a semester.

18 (d) Program identification.--The Department of Education  
19 shall consult with the Department of Labor and Industry to  
20 identify programs of study that train individuals for employment  
21 in health-related industries and provide the agency with a list  
22 of eligible programs of study.

23 (e) Grant awards.--Grant awards shall be established by the  
24 agency based upon available resources, including moneys  
25 deposited into the Health-Related Industries Educational  
26 Scholarship Program Fund established under section 2603-J.  
27 Section 2603-J. Health-Related Industries Educational  
28 Scholarship Program Fund.

29 (a) Establishment.--There is established a special fund in  
30 the State Treasury known as the Health-Related Industries

1 Educational Scholarship Program Fund.

2 (b) Deposits.--The agency shall deposit moneys contributed  
3 to the program under section 2604-J into the fund.

4 (c) Use of moneys.--In addition to any other moneys  
5 allocated for the program, the agency shall use the moneys  
6 deposited into the fund under subsection (b) to award grants to  
7 students in the program.

8 Section 2604-J. Tax credit.

9 (a) Participating industries.--

10 (1) The Department of Revenue shall grant a tax credit  
11 against any tax due under Article III, IV, VI, VII, VIII, IX  
12 or XV of the Tax Reform Code of 1971 to a health-related  
13 industry if the health-related industry provides proof of a  
14 contribution to the fund.

15 (2) The tax credit shall apply to the taxable year in  
16 which the contribution is made which shall not exceed 75% of  
17 the total amount contributed to the fund during the taxable  
18 year by the health-related industry.

19 (b) Additional amount.--

20 (1) The Department of Revenue shall grant a tax credit  
21 of up to 90% against any tax due under Article III, IV, VI,  
22 VII, VIII, IX or XV of the Tax Reform Code of 1971 to a  
23 health-related industry if the health-related industry  
24 provides proof of all of the following:

25 (i) Making a contribution to the fund.

26 (ii) Hiring a resident of this Commonwealth who  
27 received a grant under the program during the taxable  
28 year in which the contribution was made to the fund.

29 (2) The tax credit shall apply to the taxable year in  
30 which the contribution is made to the fund.

1 (c) Availability.--Tax credits granted under this section  
2 shall be made available on a first-come, first-served basis.

3 Section 2605-J. Limitations.

4 (a) Amount.--A tax credit granted under section 2604-J shall  
5 not exceed \$300,000 annually per health-related industry for  
6 contributions made to the fund.

7 (b) Aggregate amount.--The total aggregate amount of all tax  
8 credits granted under section 2604-J shall not exceed  
9 \$200,000,000 in a fiscal year.

10 (c) Liability.--A tax credit granted under section 2604-J  
11 for any one taxable year shall not exceed the tax liability of a  
12 health-related industry.

13 (d) Applicability of credits.--A tax credit granted under  
14 section 2604-J shall not be applied against any tax withheld by  
15 an employer from an employee under Article III of the Tax Reform  
16 Code of 1971.

17 Section 2606-J. Regulations.

18 The agency shall develop guidelines and may promulgate  
19 regulations necessary to implement this article.

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