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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 652 Session of  
2021

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INTRODUCED BY SCHWEYER, BURGOS, CIRESI, FRANKEL, FREEMAN, HILL-  
EVANS, LEE, McCLINTON, NEILSON, PISCIOTTANO, ROZZI, SANCHEZ,  
SCHLOSSBERG AND STURLA, FEBRUARY 24, 2021

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REFERRED TO COMMITTEE ON FINANCE, FEBRUARY 24, 2021

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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," in neighborhood assistance tax credit, further  
11 providing for definitions and for grant of tax credit.

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

14 Section 1. The definition of "neighborhood assistance" in  
15 section 1902-A of the act of March 4, 1971 (P.L.6, No.2), known  
16 as the Tax Reform Code of 1971, is amended and the section is  
17 amended by adding a definition to read:

18 Section 1902-A. Definitions.--The following words, terms and  
19 phrases, when used in this article, shall have the meanings  
20 ascribed to them in this section, except where the context  
21 clearly indicates a different meaning:

22 \* \* \*

1 "Neighborhood assistance." Furnishing financial assistance,  
2 labor, material and technical advice to aid in the physical  
3 improvement of any part or all of an impoverished area or any  
4 other assistance that addresses a public health concern.

5 \* \* \*

6 "Public health concern." A health or welfare concern among  
7 the population of a community as a whole.

8 \* \* \*

9 Section 2. Section 1905-A(a) of the act is amended to read:

10 Section 1905-A. Grant of Tax Credit.--(a) The Department of  
11 Revenue shall grant a tax credit against any tax due under  
12 Article III, IV, VI, VII, VIII, IX or XV of this act, or any tax  
13 substituted in lieu thereof in an amount which shall not exceed  
14 fifty-five per cent of the total amount contributed during the  
15 taxable year by a business firm or twenty-five per cent of  
16 qualified investments by a private company in programs approved  
17 pursuant to section 1904-A of this act: Provided, That a tax  
18 credit of up to seventy-five per cent of the total amount  
19 contributed during the taxable year by a business firm or up to  
20 thirty-five per cent of the amount of qualified investments by a  
21 private company may be allowed for investment in programs where  
22 activities fall within the scope of special program priorities  
23 as defined with the approval of the Governor in regulations  
24 promulgated by the secretary, and Provided further, That a tax  
25 credit of up to seventy-five per cent of the total amount  
26 contributed during the taxable year by a business firm in  
27 comprehensive service projects with five-year commitments and up  
28 to eighty per cent of the total amount contributed during the  
29 taxable year by a business firm in comprehensive service  
30 projects with six-year or longer commitments shall be granted,

1 and Provided further, That a tax credit of up to seventy-five  
2 per cent of the total amount contributed during the taxable year  
3 by a business firm in veterans' housing assistance approved  
4 under section 1904-A(b.3) shall be granted. Such credit shall  
5 not exceed five hundred thousand dollars (\$500,000) annually for  
6 contributions or investments to fewer than four projects or one  
7 million two hundred fifty thousand dollars (\$1,250,000) annually  
8 for contributions or investments to four or more projects. No  
9 tax credit shall be granted to any bank, bank and trust company,  
10 insurance company, trust company, national bank, savings  
11 association, mutual savings bank or building and loan  
12 association for activities that are a part of its normal course  
13 of business. Any tax credit not used in the period the  
14 contribution or investment was made may be carried over for the  
15 next five succeeding calendar or fiscal years until the full  
16 credit has been allowed. A business firm shall not be entitled  
17 to carry back or obtain a refund of an unused tax credit. The  
18 total amount of all tax credits allowed pursuant to this act  
19 shall not exceed [thirty-six million dollars (\$36,000,000)]  
20 forty-six million dollars (\$46,000,000) in any one fiscal year.  
21 Of that amount, two million dollars (\$2,000,000) shall be  
22 allocated exclusively for pass-through entities[.], and ten  
23 million dollars (\$10,000,000) shall be allocated exclusively for  
24 the purpose of public health concerns. However, if the total  
25 amounts allocated to either the group of applicants, exclusive  
26 of pass-through entities, or the group of pass-through entity  
27 applicants is not approved in any fiscal year, the unused  
28 portion shall become available for use by the other group of  
29 qualifying taxpayers.

30 \* \* \*

1 Section 3. This act shall take effect in 60 days.